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THE PARLIAMENTARY CAREER OF WILLIAM IRVINE, 1922 - 1935

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A THESIS

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The undersigned certify that they have read, and recommended to the Faculty of Graduate Studies for acceptance, a thesis entitled "The Parliamentary Career of William Irvine, 1922 - 1935" submitted by Leif Gordon Stolee in partial fulfillment of the requirements for the degree of Master of Arts.

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Leif Gordon Stolee

July 30, 1969

ABSTRACT

William Irvine was a member of Parliament from 1922 to 1925, when he sat as the Independent Labour member for Calgary East; from 1926 to 1935, when he sat as the U.F.A. member for Wetaskiwin; and from 1945 to 1949, when he sat as the C.C.F. member for Cariboo. This thesis is an account of his first two periods in the House since they form a natural unit as to the historical climate of the times, and the issues faced.

Irvine's parliamentary career had a far greater significance than would be expected from the size and durability of his political parties. In 1922 he and J.S. Woodsworth were the only two Labour members in the House; yet they managed to have a tremendous impact, to bring in some important reforms, and to change the course of Canadian politics. It was Irvine who initiated the famous 1923 investigation of the Banking and Commerce Committee, which was to have such long-term effects upon banking in Canada, and it was he who seized the opportunity to broaden the investigation into the failure of the Home Bank to include recommendations for amendments to the Bank Act, a move whose real merit became apparent during the depression. He was a brilliant advocate for the establishment of a state-owned central bank, the employment of countercyclic fiscal policies by the federal government, the abandonment of the gold standard, and the issuing of currency and credit in relation to the amount of goods and services available in the country when such ideas were looked upon as lunacy by the financial establishment.

He and Woodsworth were the constant champions of the underdog. They exposed the plight of the Cape Breton miners to the full publicity of a parliamentary debate, pushed for the eight-hour day, and literally forced the establishment of a divorce court for Ontario upon a reluctant House. They were a major force behind the introduction of the Old Age Pensions Act of 1927, and they pressed for the federal government to take full responsibility for unemployment relief and they constantly agitated for a national unemployment scheme.

Irvine is especially interesting because he was a man of advanced and radical ideas. He supported the introduction of proportional representation, the revision of the rules of the House, the limiting of the power of the cabinet, and the replacement of the whole parliamentary system by "co-operative government." At the same time he was a persistent advocate of the theories of Major Douglas and it was only after spending fifteen years or more as one of Canada's most eloquent advocates of social credit that he realized its limitations and settled on socialism as the most viable method of creating a just and democratic society in Canada.

Because Woodsworth and Irvine presented a consistent pressure for social progress and reform they soon found themselves as the natural focal point for the radicals in the House; and although it is beyond the scope of this thesis, it should be remembered that as such they were able to form the Ginger Group in 1923 which ten years later, by a process of political maturation, developed into the C.C.F.

ABBREVIATIONS

H.C.D. : Official Report of the Debates of the House of
Commons of the Dominion of Canada.

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A BIOGRAPHICAL SKETCH OF IRVINE'S CAREER

1885-1921

William Irvine was born on April 19, 1885, on the Shetland Islands, the son of William Irvine Sr. and Vera Pottinger.¹ He received a solid grade school education and, since he expressed a desire to go to sea, his teacher gave him additional instruction in the rudiments of navigation to prepare him for the marine academy. Unfortunately he was unable to attend high school as his family could not afford the additional expense of sending him to the island capital and as a consequence one of his basic motives for migrating to America at the age of sixteen was his desire for a higher education.²

He was a precocious child, and encouraged by his devout mother and by the example of his grandfather, who had been a Congregational minister, he was preaching in the local church at fourteen. His father, an ardent socialist, was not religious, and he and two older cousins who were the president and secretary of the Socialist Party of the Shetland Islands, had a great influence on William's early development, enveloping him in an atmosphere of socialist thought and ensuring that his sympathies lay with the poor.³

In 1902, feeling the restrictions of his environment and hopeful of a better opportunity, he set out for the United States; and attracted by the publicity that had resulted from the World's Fair, went to St. Louis to seek his fortune. Work

had been plentiful before and during the fair but by the time he arrived "one could not have bought a job" and he walked the streets for weeks looking for employment.⁴

Work or no work, young William did not neglect church and he soon found himself addressing the Epworth League, a young people's organization that met on Sunday evenings and which was also attended by interested adults. The outcome of his talk was the purest Horatio Alger:

After the meeting was over, a middle-aged man asked to talk to me. He asked me many questions about my background, where I came from and what I wanted to be. Incidentally I told him that my greatest ambition was to get an education.

About a week after I received from Dr. Morris, principle [sic] of Science Hall, Fayette, Missouri, a letter saying that a friend had deposited sufficient money with him to pay all the expences of my course in the university as far as I wanted to go. 5

This was a godsend but he accepted it with misgivings because he was most reluctant to be an object of charity and he felt that his people back home would disown him if they heard about it. "However necessity - at that moment - seemed more pressing than pride and I went to college."⁶

He took his first year of matriculation there and during the summer months he came back to St. Louis to work as a carpenter. Unfortunately his education was interrupted when he developed tonsillitis which was diagnosed by a doctor as a heart condition and he was told that he must avoid all strenuous effort and that he only had a few months to live. Homesickness, fear, and his unfaltering faith in the medical profession made him decide to go home and he arrived back in

the Shetlands with £2 in his pocket after having been away for over two years. There the family doctor told him that he had a case of infected tonsils and that this had caused the chronic fever and the increased heart beat, a situation that he eventually remedied by having them removed.⁷

Within a month he was bored,⁸ and having passed an oral examination before a selection committee of local ministers as to his knowledge of scriptures and the fervour of his faith, he accepted a position as lay preacher in the northern end of the island where he served three rural churches, preaching three times on a Sunday and receiving a salary of 25 shillings a week. He was there for two years, saving up money for a return passage to the United States, when J.S. Woodworth's father turned up on a recruiting drive, looking for suitable young men to work in the ministry in Western Canada. Irvine applied and because of his previous experience in America, was quickly accepted.⁹

In the fall of 1907^{*} he came to Canada and was sent as a lay preacher to the lumber camps northwest of Saskatoon for the winter. The next fall he went to Winnipeg where he

* There is some confusion as to when Irvine first came to Canada. The Parliamentary Guide, the taped interview done with him by Mr. Floyd Johnson in 1962, and the program for the William Irvine Memorial Service held in 1962 all claim that he arrived in 1902. However in the manuscript that he wrote for Professor A.M. Mardiros he states that he arrived in 1907 and this is the correct date, as can readily be determined by a simple count of his years and his activities. The mix-up has resulted from confusing the date of his arrival in the United States with the date of his arrival in Canada.

attended Manitoba and Wesley Colleges, now joined in anticipation of the coming union of the Presbyterian and Methodist Churches. There he completed his matriculation and went on to graduate in theology in 1913.¹⁰ During the summer months he acted as a supply preacher and thus it was that he met Adelia Little, of Portage La Prairie, whom he married on December 29, 1910 and by whom he subsequently had four sons and one daughter.¹¹

College had not been what he had expected: "Reading Greek in the New Testament, studying church history which always seemed to me to be 'much ado about nothing', or following the peregrinations of systematic theology highly flavoured with medieval concepts were anything but inspiring."¹² Yet there were two men who had a great influence on his development. The one was a Dr. Fleming who taught systematic theology but who managed to persuade his students to challenge every religious view "and to think our way through not as parrots but as students." The effects of this approach were dramatic: "all doubts that had been growing in my mind about religious doctrine brought me at last to question everything and that the real test [sic] of truth were facts and natural laws."¹³ The man who inspired him the most, however, was Dr. Salem Bland; and it was he who brought Irvine's latent humanism into full flower.

Religion to Dr. Bland was not a compartment into which one entered to get away from the world. It was like the golden thread which runs through a necklace. There is no part of human life which can escape from the humanistic test of morality. This strengthened our views on socialism and helped to give an intelligent purpose for living. 14

The impact that Dr. Bland made upon his student was electrifying and over a half century later, Irvine was to say: "...if ever there was a Christian...it was Dr. Bland. He was one of the finest characters that I have ever met and I owe so much to him that I could never tell it to anybody."¹⁵

In 1913 he graduated from college, having already accepted a call to Emo, Ontario. Life must have seemed most promising to him, a young married minister setting out for his first parish; however, his religious career was bound to be turbulent for the following reason:

By this time I was preaching sheer humanism. The supernatural had vanished. There were no miracles, no infallible words of God, no virgin birth, no atonement, and no resurrection. [sic] Of course I did not tell my congregation that in that way. I used everything in the bible which could in any way buttress my ideas. I did not mention or criticize the church doctrine except by inference of those who could follow logic. It took two years in Emo for it to dawn on the people that I was not preaching to put people into heaven but that I was much more interested in getting heaven into the people. 16

The real trouble started when he overheard one of the local merchants, an elder of his congregation, offer a penniless farmer five dollars for a whole three-year-old steer, for this lead him to organize the farmers into a co-operative that bought goods in bulk and sold them straight from the car on the siding. When in the first month of operation, the co-operative did something like \$60,000 ¹⁷ worth of business the merchants and the local establishment became thoroughly alarmed and he received a letter informing him that he had not been called "to preach socialism but to preach Jesus Christ and him crucified."¹⁸

Irvine replied that when he had accepted the call he had informed the board that he intended to preach the social gospel and he reminded them that they, in their letter of acceptance, had stated that that was the type of preacher they wanted. He demanded to know what had caused them to change their minds and he refused to accept any further salary on principle and began labouring at odd jobs in the community in order to support himself and his family.¹⁹

An impasse developed that lasted until one of the elders invited him to supper and, in the presence of a witness, challenged him to explain what he really believed. The result was a telegram to Winnipeg accusing him of heresy and eventually the case was heard before the moderator at a meeting of the Presbytery at Fort William.²⁰ There the unexpected happened: Irvine was cleared of the charge because the witness, a well-read local farmer, when asked if he had heard Irvine say anything "...which you think as a minister of the gospel he should not have said?", replied, "No, on the contrary I should say that if he hadn't said what he said he would be entirely unfitted for any ministry."²¹

He had won the battle but he resigned the next day because he had become convinced that he was not fitted for the work and he felt that he could no longer stand up before the people "...who expected something from me that I could not give them."²² A few days later, however, he received a wire from Boston informing him that he was just the sort of man that they needed in Calgary to revive a defunct Unitarian congregation

and Christmas, 1914, found him and his family settled in that city.²³

He found being a Unitarian minister a comparatively easy task, having only to give one lecture on Sunday morning and there was considerably less parish work than there had been at Emo. A man of boundless energy, he soon organized a public forum that met on Sunday afternoons in a downtown theatre and which dealt, on a popular level, with such topics as religion, philosophy, politics, economics, and significant books and plays by means of lectures, debates, and panels. These activities lead naturally to writing, and being most prolific in this field, he soon found himself editor of a bi-weekly newspaper.²⁴

Although, as he later recalled, "I had no more idea of entering politics than I had of flying;"²⁵ his main purpose, the propagation of the social gospel naturally led him to such an inevitability. One can trace his increasing involvement in the metamorphosis of his newspaper. Started as The Nutcracker in November, 1916, it became The Alberta Non-Partisan a year later, and on October 1, 1919, it came out weekly as The Western Independent, "The Official Organ of the U.F.A. Political Organization." It was only a step from urging others to take political action to getting involved himself; and he first ran in the provincial election of 1917 for South Calgary as the nominee of the Labour Representation League and came within 117 votes of victory.²⁶ Encouraged by this strong showing, he then ran in the Khaki election of the same year,

only this time he was faced by Major Lee Redman, a wounded veteran who ran on the Unionist ticket, and he was overwhelmed by smears, patriotism, and a 4,452 vote plurality.²⁷

The campaign had other implications than mere political defeat for he had been advocating the slogan, "No Conscription of Men without the Conscription of Wealth," and someone took the trouble to inform Boston that their minister in Calgary was pro-German. The results were sudden and drastic: immediately after the United States entered the war his salary was cut off without warning or consultation.* Luckily for him the Unitarians follow a policy of congregational polity and so he went to work for the C.P.R. Round House as a carpenter and continued his preaching for nothing.²⁸

By 1919 the Non-Partisan League had achieved its main purpose, the involvement of the U.F.A. in active politics. By this time three of the U.F.A. executive were already conspicuous members of the League and the pressures on the reluctant Henry Wise Wood to lead his organization into the political arena were becoming irresistible. In March of that year a joint committee was struck to prepare a plan of co-operation and the draft articles proved to be essentially the political platform of the League.²⁹ The result of this

* When Irvine reached Ottawa a few years later he used to preach regularly in the local church there. An official from Boston turned up one day and when he heard Irvine's story he could not believe it. However, he checked back at headquarters for confirmation and thereupon Irvine received a handsome letter of official apology for his arbitrary dismissal. 14

manoeuvre was that the U.F.A. was committed to political action, subject to the ratification of the 1920 convention, and it was in anticipation of this wider approval that The Alberta Non-Partisan became the political voice of the U.F.A. when it evolved into The Western Independent with Irvine still as editor. As a timely summation of the main arguments for political action, Irvine at this time brought out his first widely read book, The Farmers in Politics, and no doubt this proved to be one of the reasons why the convention of 1920 so strongly endorsed the principles that the Non-Partisan League had so consistently advanced over the past four years.

In June, 1921, the Alberta Legislative Assembly was dissolved and on polling day, July 18, the aroused farmers swept into power, capturing 39 out of the 59 seats, and found themselves forming the Government rather than the Opposition.³⁰ In October the federal Parliament was dissolved and the general election was called for December 6. The U.F.A., triumphantly confident because of its summer success, decided to take up the challenge and backed designated candidates in all twelve federal ridings. Calgary East and Calgary West presented a special problem because the farmers made up only a small portion of the ridings and therefore, at the suggestion of Wood,³¹ the labour and farmer constituency executives decided to co-operate. Irvine, running on the Independent Labour ticket, was endorsed in Calgary East, while Joseph Shaw, a barrister running as an Independent in Calgary West, against R.B. Bennett, received their support. By December victory

was in the air, and on election day the U.F.A.-endorsed candidates made a clean sweep of all the ridings, the only close call being in Calgary West where Bennett was defeated by sixteen votes.³²

1922-1962

In 1922 Irvine arrived in Ottawa to take up his duties as the member for Calgary East. Of the sixty-two socialists and farm-labour candidates, only two had been elected, Irvine and J.S. Woodsworth of Winnipeg Centre.³³ However, the size of the Independent Labour Party was no indication of the impact that it was going to have and by 1924, because of their constant pressure for social and economic reform and their consistent adherence to principle, the two labour members had become the nucleus around which the Ginger Group was formed when the more radical members of the Progressive Party began to split off from their more conservative colleagues to look for a more congenial caucus.³⁴

Irvine was defeated in the general election of 1925, after the boundaries of his riding had been changed to his disadvantage and he then moved to Bentley from where he contested the Wetaskiwin riding as the U.F.A. candidate in 1926, defeating the incumbent Liberal. He sat for Wetaskiwin for ten years, winning the 1930 election by a reduced majority and finally being swamped in the Social Credit tidal wave of 1935.³⁵

It was during this period of time that the Ginger Group slowly developed that sense of identity and unity of

purpose that made possible the emergence of a new party on the Left. Irvine played a vital role in the dissemination of the radical and progressive ideas that made this possible, and in late 1929 he produced his second major book, Co-operative Government, which attacked the financial and political system and expounded the ideas behind the co-operative society.³⁶ It was in his office, Room 607 of the Parliament Building, that the Ginger Group, the members of the League for Social Reconstruction, and a few other interested people from Toronto and Montreal met on May 26, 1932, to pass the historic resolution setting up a committee charged with the responsibility for "drafting a tentative plan of organization for future action" which resulted in the Calgary and Regina conferences and the founding of the Co-operative Commonwealth Federation in 1933.³⁷

From 1935 to 1944 Irvine lived in Wetaskiwin, serving as the president of the Alberta C.C.F., and working as a paid organizer for the party. In 1945 he was asked to accept the Cariboo nomination for the C.C.F.³⁸ and after winning the election he returned to Parliament after an absence of ten years. He held that riding until 1949 when again a constituency boundary change worked heavily to his disadvantage and this, along with the opposition of "the combined capitalist parties" lead to his defeat.³⁹

He was president of the Alberta C.C.F. many times and was also a member of the national executive of the party. He became increasingly concerned about the threat of nuclear war and accepted a position on the executive of the World

Peace Council. In 1956 he and a small group of like-minded individuals made a tour of the Soviet Union and several other European countries. They spent three weeks in Russia, the high point of their visit being a chance interview with Nikita Khrushchev who was then Secretary of the Communist Party.⁴⁰ The result of this trip was a book, Live or Die with Russia, which attempted to counter some of the hysteria of the Cold War. Pravda, in a lengthy review of the book, described Irvine as "a determined opponent of the arms race and of sliding down to atomic war, as a partisan of peaceful co-existence and competition between capitalist and socialist countries."⁴¹ Several years later, he attended the World Peace Conference in Sweden and there he accepted the invitation of the Chinese delegation to visit their country, which he did in 1960. What started as a simple trip to China ended up as a world tour, taking in India, Russia, Sweden, Denmark, Netherlands, and Britain. This time the result was a published symposium entitled The Twain Shall Meet, in which he wrote the major section, pleading for the recognition of Communist China and advocating the same generous treatment for her that he had asked for the Soviet Union.⁴²

As a member of the executive of the Alberta C.C.F., Irvine attended the founding convention of the New Democratic Party in the fall of 1961. He was not happy with the results, however, because he felt that the new party was not soundly based on socialistic principles and he was most upset at the foreign policy advocated by the new leadership which accepted

certain Cold War concepts and saw nothing incongruous in Canada remaining within the North Atlantic Treaty Organization.⁴³

In November, after the founding of the N.D.P., the Alberta C.C.F. met in what was to be its last convention. The majority of the delegates wished to dissolve the older body and merge into the N.D.P., while many of the more radical and socialistic members were opposed to such a move. After a most spirited debate, the majority carried the day, but, in the heat of the fray, a resolution was passed directing that an organization be set up "for the discussion and promotion of democratic socialism".⁴⁴ The outcome was the Woodsworth-Irvine Socialist Fellowship, and many of the old supporters of the Regina Manifesto and others of a radical persuasion found in it a political and philosophical haven from the reformist tactics of the N.D.P.

The formation of the Fellowship was the last major political event of his career. Although 1962 found him still active in politics and writing, yet he was now seventy-seven years old, and the slow-spreading cancer that he had suffered from for years could no longer be contained. He died peacefully and alone in his sleep in the early hours of October 12 in Edmonton; having come up from Wetaskiwin the day before to attend the Friday evening meeting of the Fellowship and to visit his closest friends.⁴⁵

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Chapter II

PARLIAMENTARY REFORM

1. Reform in the House of Commons

Irvine's first opportunity to grasp the cudgels in the cause of parliamentary reform came not because of any initiative on his part nor that of the Progressives, but because of a split in the Quebec wing of the Liberal party between the young reformist wing and the old guard, as personified by that arch reactionary Sir Lomer Gouin, who was especially disliked because of his support of Fielding's bid for leadership in 1919, and because of his close association with St. James Street.¹

So when A. R. MacMaster, Liberal member for Brome, introduced a motion early in 1922 to the effect that no member of the cabinet could be a director of a bank, a trust company, an insurance company, or of a large public utility, and that no other company in which they held directorships should do business with the government, it was clear that the Minister of Justice, Gouin, was the chief offender. It was even clearer that this was a more moderate version of a similar bill that MacMaster had presented the previous session, and everyone remembered the warm support that Mackenzie King, wrapped in a reformist mantle of righteousness, had given to the bill before it had gone down to defeat at the hands of Arthur Meighen and his Conservative majority.

On this occasion King, now Prime Minister, not only came down on the side of the status quo, but tried to justify

his stand with the same appeal to morality and principle he had used the year before. This time however, the arguments were: that British precedent was against it, that the House had decided the matter once and for all the year before and therefore one should abide by the decision of the House, and that Canada would be deprived of the services of some of her finest businessmen. The culmination of his speech was the purest self-hypnosis:

As between myself and my colleagues, and between the Government and the country, the relationship I wish to have maintained is that of "Trust me all in all, or not at all." That is the attitude I hold towards every member of the Government, and it is the attitude I believe which every member of the Government holds towards myself. Inasmuch as the support of my hon. friend's motion would seem to make it necessary for me to reflect upon the honour and integrity of any hon. gentlemen associated with me in the cabinet, I must decline absolutely to vote for it. 2

Meighen, having the sanctimonious King in just the sort of corner he enjoyed, opened with the remark, "If the experience of the last two months had not rendered me utterly impervious to all sentiments of amazement, it would require at least the space of a few half hours to recover sufficiently from the speech of the Prime Minister ... in order to address this House."³ He then went on in a brilliant, slashing attack to cut King into small ribbons for his inconsistency and pious moralizing while demonstrating that he, himself, had not altered his stand one iota from the previous year.

Irvine, speaking later on in the debate, a technique he often employed, praised MacMaster while emphasizing the split in his party with the remark:

The member from Brome...in his resolution, and in his most excellent presentation of the case, has given voice to a sentiment and emphasized a principle which I feel sure will receive very hearty endorsement from the people of this country. I wish to congratulate him on his splendid courage, and on the wisdom and moderation which he exhibited in the presentation of his arguments.

"Behold a Liberal indeed, in whom there is no guile." 4

After pointing out that no one had challenged the statement that when a cabinet minister holds a position as a director in a company he cannot give all his attention to the service of his country or that there may well be a clash of interest, he turned his attention on the leaders of the two major parties. He opened by stating that the Prime Minister

...went around so many corners in his swift retirement from his previous position that I was not able to keep my eyes on him, and consequently I cannot follow him in all the turnings that he made. The argument which he so ably delivered to-night I am sure could have been delivered a year ago with equally good reason. If the argument put forward to-night is good, it was good a year ago...Did the Prime Minister vote for a more drastic bill last year to give assurance to the electorate, or did he vote for it to discredit the government then in power? Which was the reason then, and what is the reason now? 5

Leaving the embarrassed King to ponder a straight answer to that double-edged question, he turned on Meighen who had been preening himself for his consistency.

Then the leader of the Opposition of course comes along to make political capital out of this; and I think perhaps we were as tired of his argument as we were of the argument of the Prime Minister on this question. There is really no credit coming to the leader of a Tory party for not having moved, - because he cannot move. Everyone knows that that is an impossibility for if he were moving he would not be a Tory, he would have to be something else. He is this year where he was last year; he will be there next year and all years that are to come. And when he places himself right straight in the middle of the road of progress, we all know there is no necessity to make a long speech about it. 6

This almost contemptuous treatment was a little hard to take, even for such a seasoned parliamentarian as Meighen, and a few moments later he burst into the middle of Irvine's speech in a futile attempt to put the upstart in his place. But, as the following exchange demonstrates, and as Meighen found to his chagrin, Irvine was not to be stampeded even by a man of his forensic skill.

Mr. MEIGHEN: Will the hon. gentleman permit me? - he is apparently through with me: does he consider that consistency in public life is a political vice?

Mr. IRVINE: Mr. Speaker, I do not know of any vice that is more vice-y than consistency that is blind consistency.

Mr. MEIGHEN: Blind what?

Mr. IRVINE: Blind consistency. 7

Irvine ended his presentation by referring back to the arguments of MacMaster:

Hon. members who have spoken in opposition to it have brought up various arguments from their point of view, but I think that it will be agreed that those who waded through Hansard to-morrow will find the argument of the hon. member for Brome unanswered; it stands tier upon tier just as he built it up. We are called upon, then, to vote on the question whether we shall give the representatives of the Crown an opportunity of devoting all their time on a patriotic basis to the service of this country, or whether we shall hamper them or let them be hampered by other influences and their directorates and their companies. That is the issue, and I believe the people of Canada expect us to vote for this resolution.⁸

The people of Canada may have expected it, indeed, they should have expected it; but they reckoned without the amazing ability of the Liberal party and Mr. King to say one thing and do the other. It was, as Professor R.M. Dawson wrote rather regretfully, "an unfortunate circumstance in that the Liberals not only had to reverse their stand of the previous year but also because they found themselves aligned with the

Conservatives and against the Progressives, thus confirming the Progressives' suspicion that both old parties were subservient to the business interests."⁹

One of the most common and serious criticisms of the parliamentary system is, and was, that the time-honoured institution of Parliament has fallen under the control of the cabinet and that the whole parliamentary procedure has become a rather elaborate charade, because in reality the cabinet holds the whips of party patronage and resignation with which to beat its own majority into line. Irvine was especially critical of this situation, seeing it in even more sinister implications than the mere loss of parliamentary control of the legislative process, for he believed that although cabinets "...are supreme in Parliament...their supremacy ends at the door of the assembly. They are not rulers of their own council, nor in the formation of policy. They are pawns on the board of the invisible government, by which is meant the social and economic forces and circumstances, national and international, which will not submit to being adjusted to policy."¹⁰ Therefore he thought that freeing Parliament from cabinet domination would not only restore to Parliament its rightful function, but would also help to break the vice-like grip of capital and privilege on the democratic process. In his first speech in the House, on March 20, 1922, Irvine said, "As I understand the ordinary parliamentary practice, if the measure involving the Government policy is defeated by a vote of this House, the Government is bound to resign. To my mind

this is not a sound practice as things are today, and it should not continue."¹¹ However, it wasn't until nearly a year later, early in the second session, that Irvine finally got the opportunity to place the following motion before the House:

That, in the opinion of this House, a defeat of a government measure should not be considered as a sufficient reason for the resignation of the government, unless followed by a vote of lack of confidence. ¹²

Opening with the statement that "Parliament today ...is dominated by the cabinet through the party caucus, and much of our boasted democratic liberty is pure theory," Irvine went on to argue that under existing conditions members of the majority party were often compelled to vote against their declared principles in order to save the government, with the result that individual members of the government party were responsible to the cabinet instead of the cabinet being responsible to the party. He asserted that his motion would prevent the present situation of confusing the issues with the life of the administration since it would not be left in the hands of the government to say when it was defeated, but rather the prerogative of Parliament. He pointed out that the government could resign if it wanted but stated:

If the administration is to be responsible to parliament, it should allow parliament a free mind to come to a conclusion on resolutions, or bills without embarrassment of any kind. I believe a reasonable, clean, energetic, efficient and courageous administration has nothing to fear from a Canadian parliament. Parliament, however, does have something to fear from the supremacy of the cabinet. I believe that a bill brought in by the cabinet should not be considered in any way different from a bill brought in by a private member. ¹³

J. T. Shaw of Calgary West, having done a good deal of historical research, showed that Walpole, Pitt, Lord Liverpool, Peel, Disraeli, and Gladstone had all stayed in power after being defeated, thus attempting to spike the "British precedent" argument that is so often trained against proposals for parliamentary change.

Typically, Mackenzie King promptly confused the issue by conveniently overlooking the fact that the motion was designed to terminate the autocratic rule of the cabinet by giving Parliament final and real control, and he came out swinging as the champion of parliamentary democracy against "autocratic government" with the statement, "To my way of thinking, in these days when we wish to have democratic principles prevail in matters of government, the very first chance to put an autocratic government out of power, is the chance to seize; it should never be let go by."¹⁴ He declared that the motion would promote carelessness or even indifference in the framing of legislation on the part of the administration, and the degree to which the prospect of the loss of the powers of the cabinet upset him can be seen from the following outburst:

Well, then, may I ask him, why have any Cabinet at all? Why not let us have a Soviet at once, because that is what it amounts to; no head whatever, no directing agency, anyone free to get up and propose any measure with just such knowledge as he may have, free to spring it on the House at any moment, and, with such eloquence as he can muster, carry it through if possible. I do not know what will happen to the legislation of the country if we proceed in that way. ¹⁵

The resolution was thoroughly discussed, getting at least four and a half hours of close attention by the House. Irvine had excellent support from such men as W.C. Good of Brant and T.W. Bird of Nelson, whereas the opposition was equally vigorous. It is characteristic that it was Meighen, not King, who was ready to admit that Irvine's motion would make Parliament virtually independent of the government, and who was willing to attack the resolution on just this basic point without any attempt to pretend that he was for more democracy or increased parliamentary freedom. His statement, which is the antithesis of Irvine's idea of the proper relation of Government and parliament, was as follows:

I do not subscribe to the viewpoint that the government of Canada is in the nature of a hired servant whose only duty is to obey the directions, the orders, the mandates of the representatives in parliament who support it, of parliament as a whole, and of the populace of the country ...The government is in no sense the hired man of the House of Commons; it is not a committee of the House of Commons...it is the responsible body of officers of the King in this country. The duty of the government is to lead public policy, domestic and foreign....Those in authority must lead.¹⁶

Irvine closed the debate with a reiteration of the main points in favour of his resolution, correctly stating that "no one has refuted my argument that bad legislation, owing to this confusion of issues, might be passed in order to save a government, nor has anyone tried to refute my argument that good legislation might be defeated in order to save a government."¹⁷ But, as W.L. Morton points out, "the idea, however, was too novel to win a favourable hearing,"¹⁸ and in spite of the solid support of the Progressives, the motion

was lost on division with 52 Yeas, and 103 Nays.

The defeat of the motion did not mean the end of the question, and on February 14, 1927, the matter of cabinet control of Parliament came up again for discussion through a resolution presented by A.M. Carmichael, a Progressive from Kindersley, who moved:

That, in the opinion of this House, no government should have the right to ask for a dissolution of parliament prior to completing the five year term as provided in the British North America Act except when authorized to do so by a majority vote of the House. 19

Carmichael presented a long argument in support of his resolution and finally got to the heart of what was bothering him when he said:

We have had to run enough elections in the recent past to last us for a few years to come. We are more concerned about legislation, and we would like to consider legislation on its merits....we do not like to have that club held over us - you have to support the government or you will defeat the government, and if you defeat the government, that means another general election. That was the situation in the last parliament and I am not so sure that we are very far removed from it in this parliament. 20

Again there was a long debate, many of the same arguments were presented again, only this time there were some new contenders. Ernest Lapointe, Minister of Justice, held the bridge for the government with the argument that sometimes it happens that because of a surge of patriotic feeling or some other emotional contagion a Parliament may be elected that after a brief time would not reflect the opinions of the majority of the country and that therefore it would be a mistake to have a rule fixing the length of Parliament. The

attack was pressed by Agnes Macphail of Grey Southeast, T.W. Bird of Nelson, who had been one of the main supporters of Irvine's resolution of four years back, and Henri Bourassa of Labelle, who opened with the caustic remark that

I have never considered it necessary to show our admiration for the British people and their constitution by making ourselves monkey-like British subjects and copying everything done in Great Britain simply because it is done in Great Britain. I have never been able to bring myself to the point of turning up the bottoms of my trouser legs simply because it is raining in London. 21

He then went on to argue that a system something like the American was necessary and desirable, and he ended with the statement:

It is better to have elections at a fixed date than have dissolution upon any pretence; and I would further say that neither the Governor General, the Lieutenant Governor nor any other single gentleman, at Rideau Hall or elsewhere, a man not representative of the people, should have that right; I will never stand for that. 22

By this time, as a well-seasoned parliamentarian, Irvine realized just how impossible it was to get any reform through the House if the cabinet were opposed to it, so, hoping to avoid a public set-back to the principle underlying the motion, he moved an amendment that the resolution be referred to the committee on the rules of the House. This proved a futile move, born more from desperation than from logic, and Lapointe, spotting the flaw, concluded his effective defence of the status quo by thus exposing it to view:

As regards the amendment, surely it cannot be expected that we should send a motion of this kind to a committee to amend or change the rules of the House. This is not a question of precedent; it is a question of principle, and personally I am not going to entrust any committee of my fellow members to decide my principles for me. 23

After this, and in spite of Bourassa's determination to "never stand for that", the amendment, and therefore the motion, was lost on division, there being only 26 Yeas as compared to the 52 of four years before. Besides the degree to which the progressive elements had lost ground, it is interesting also to note that Robert Forke of Brandon, now Minister of Immigration and Colonization, voted against the resolution, whereas in 1923, as leader of the Progressives, he had spoken out strongly in favour of just such a reform.

The reformers had even less luck in their attempt to achieve complete constitutional autonomy for Canada. Basically their failure was due to the fact that there was even less support for this type of reform than there was for depriving the cabinet of its control over the House. However, one cannot blame the surprising lack of support that the resolution calling for constitutional autonomy received solely on the indifference of the members of the House, as there can be no doubt that Woodsworth himself must bear a great deal of the blame. Surely the cause of constitutional reform deserved a better vehicle than Woodsworth's badly thought-out resolution of March 20, 1924, which stated:

That, in the opinion of this House, the governing powers of Canada, as constituted by the British North America Act as amended and as altered from time to time hereafter ought to possess under the British Crown the same powers with regard to Canada, its affairs and its people, as the Parliament of Great Britain possesses in regard to Great Britain, its affairs and its people. 24

It soon became obvious to everyone in the House, as it should have been earlier to the mover of the resolution, that "the

governing powers" of Canada could not possess the same powers as "the Parliament of Great Britain possesses in regard to Great Britain, its affairs and its people," for the simple reason that Canada is a federal state while Great Britain is a unitary one. Therefore, despite Woodsworth's plea for support on the grounds of maturing nationhood, changing conditions, the fact of Australia and South Africa having this right, etc., the basic flaw in the resolution could not be concealed. J.B. Baxter, a former minister in the Meighen administration, tried unsuccessfully to give it the six months hoist on the grounds that even the mover of the resolution did not know exactly what it meant, while MacMaster, the progressive Liberal from Quebec, moved the addition of the following:

That no amendment of the British North America Act should be affected except with the consent of the majority of the provinces, in which majority the provinces of Nova Scotia, New Brunswick, Quebec, and Ontario should form part. 25

It now became clear why Woodsworth was not getting the support he expected from the French Canadian members and the House immediately got bogged down in a confused wrangle on how the British North America Act should be amended. After both King and Meighen had made brief but effective speeches further damaging the resolution, it became painfully obvious that nothing had been achieved at all to further the cause of constitutional autonomy. When finally Irvine got the floor, in his favorite position as anchor man at the end of the debate, there was little he could do except to expose some of the

contradictions in the statements of the critics and attempt to return to the broad principles that underlay the unsalvageable motion.

He began his rearguard action by pointing out to the House that

...here we are falling between the horns of two dilemmas. On the one hand we are told that we are not independent and must not be independent. On the other hand we are told that we are absolutely free and ought to be free. Again we are told that we have the status of a colony, and must not think or dream of asking for anything else. Now, will any member tell us what status we do have? I think the Canadian status, as has been revealed by the discussion today is just about as clear as mud

and he went on to state that national independence was incompatible with the imperial ideal and that there was an irreconcilable contradiction between national freedom and imperial obligations, even though members boasting of both with the same breath were unaware of it. He next attacked the idea of the sacredness of the British North America Act and he concluded with the statement that:

There can be no national unity without national consciousness, and there can be no national consciousness without national responsibility. So I hope that those who have voiced their interests in this unifying principle will recognize this, and that before long Canada shall have her independence which we as Canadians would like to see her have, and at the same time have possibly a closer relationship with Great Britain than she has at the present time. 26

Woodsworth spoke immediately after Irvine and withdrew the motion. A further indication of just how weak the support for constitutional reform was in the House is the fact that when Woodsworth introduced a carefully worded and

well-supported motion, on March 9, 1927, calling for a special committee to be set up to consider amendments to the British North America Act,²⁷ he was unable, despite support from G. G. Coote of Macleod and from Mr. Bourassa, to even bring the matter to a vote. A person could be forgiven for having assumed, on the basis of the interest shown by the House, that reform of the powers of the cabinet would be far more likely to take place than constitutional reform. Just the opposite has happened.

Undoubtedly Irvine brought many of his ideas on parliamentary reform along with him to the House. Ministerial freedom from financial pressure, cabinet domination of Parliament, and constitutional autonomy were all fairly prevalent ideas that a reformer could hold without having a close familiarity with the actual operations of Parliament. However, certain of his later ideas on parliamentary reform could only be the result of actual experience as a member of the House. From the beginning of the first session of the Fourteenth Parliament, in 1922, the reformers and progressives found themselves hampered and frustrated by parliamentary rules that had been designed for a two-party system. After several sessions, Irving, convinced of the necessity of a drastic overhaul, moved that "...a revision of the rules is desirable, and that for this purpose a special committee should be appointed to consider and report upon such revisions at this session."²⁸

While politely conceding that the rules regulated "the deliberations of parliament with a degree of speed, efficiency, fairness and harmony which is on the whole very satisfactory," he went on to say that "in thus paying what I trust is due respect to parliamentary rules, I am not prepared to admit the improbability of improvement." He then recalled the rather severe criticism that the Murray Report of 1912 had made of certain parliamentary practices and he stated that the practice of bringing estimates before the Committee of the Whole was a useless and time-consuming business and he suggested that an improvement would be to have the estimates allotted to the various standing committees for efficient handling. He also pointed out that the rule of allowing only one amendment to the budget limited the fullest expression of opinion and he reminded the House of the embarrassment of the previous session when Mr. Woodsworth had forestalled the official opposition by moving his amendment to the budget first.²⁹

After considerable discussion, in which progressives like Robert Forke and W.C. Good supported the motion and in which the opposition came mainly from conservatives like Meighen, Irvine agreed to withdraw his motion in favour of an amendment by King which stated that "... a special committee should be appointed to consider jointly with Mr. Speaker the desirability of revising the rules of this House and to report to the House this session."³⁰ But even the Prime Minister's blessing and the eagerness of the Speaker were

not enough to overcome the reluctance of a jaded House to deal with the report of the committee when it brought forward its recommendations late in the session. The supporters had to be contented with assurances that the matter would be dealt with at the next session.³¹ The Fifteenth Parliament, however, in its abrasive, violent, and brief career, had neither the time nor the inclination to deal with such a mundane matter, and it wasn't until March, 1927, that the House was ready to hear the report.³²

To the disappointment of the reformers, the committee did not recommend all the changes that they had asked for back in 1925. The minority parties were still not granted full equality with the two major parties, their leaders being restricted to forty minutes speaking time like the rest of the members rather than being granted unlimited time like the Prime Minister and the Leader of the Opposition. The picture was not all black, however, for one highly significant change that did appear was that now an amendment to an amendment was to be permitted on going into Committee of Supply or Ways and Means, thus removing one of the most bitter grievances of the minority groups in the House and thereby allowing them to play a much more effective role in debate. This change clearly signalled that, although the minority parties had not gained complete equality, they had finally won their place as a valid and legitimate segment of the House. Furthermore, few important rules remained unchanged,³³ the committee making well over ninety modifications in the old rules, thus

clearly demonstrating that Irvine's call for reform had been most appropriate.

The ineffectiveness of dealing with the estimates as a Committee of the Whole was a constant source of irritation to the reform element in the House, so that it was not a surprise when, in March, 1930, W. T. Lucas, U.F.A. member from Camrose, moved that "the estimates be referred to select standing committees before being submitted to the committee of the whole."³⁴ This was, in fact, an idea that Irvine had proposed both in 1927, during the debate on the rules of the House, and in 1925, when he first moved his resolution calling for a general revision. Then he had stated:

In my opinion to bring the estimates before a committee of the whole is not only an inefficient but useless procedure and a great waste of time.... Surely it would be a better procedure if the estimates were allocated to the various standing committees of the House; then you would get fuller information, you would be able to handle the business more efficiently, and you would save a great deal of time, for all these committees could sit concurrently. 35

As was to be expected, Irvine gave the motion his solid support, R. B. Bennett took a less adamant line than his predecessor, and, with the approval of the Prime Minister, the motion was passed.³⁶ In reality, King's support proved as valuable as a general pronouncement in favour of motherhood, for the motion achieved nothing at all. Other than sending the estimates of the railways and the merchant marine to committee, a practice already in effect, no attempt was made to carry out the resolution - a most amazing result in view of the support that the motion had received.

The subsequent history of this question is of some interest. The matter was raised again in 1936 by the C.C.F., in 1944, when a committee recommended against the proposed practice, in 1946 when the rules of the House were again revised, in 1949 when the Government argued that such a procedure would be inconsistent with ministerial responsibility, in 1956 when the Liberals reluctantly established a very feeble Special Estimates Committee, and in 1958 when the Conservatives, by now enthusiastic champions of an idea they had once scorned, finally established the Standing Committee on Estimates, with the same powers normally held by the older standing committees. At the same time there was a marked increase in the practice of sending estimates to the other standing committees,³⁷ exactly what Lucas's motion of 1930 had advocated.

But, although the House finally received what Irvine had called for thirty-three years before, in reality it has acquired more of the shadow than the substance, for as W. L. Dawson writes in his detailed study of the House of Commons:

The new Estimates Committee has lost much of its intended purpose. It has now become just another standing committee of the House to which estimates happen to be the thing referred. In its composition, procedure, and reports there is nothing to distinguish it from the other standing committees doing the same job. The committee questions both ministers and civil servants but there seems no hope that its discussions will replace those in Committee of Supply. It has certainly not yet resulted in the saving of any appreciable amount of time in Committee of Supply, for there has been no noticeable lessening of the time which the latter spends on estimates. 38

Probably the most dramatic moment of Irvine's parliamentary career occurred when he and a few others refused

to submit to the practice of compulsory voting. The House operated on the principle, received from the British in 1867, that members were obliged to vote if they were in the House. However, in 1906 the British House amended the rules and members were freed from this obligation. The Canadians retained the older practice; a member could only escape the obligation if he were paired, or if he claimed a personal interest.

This practice had certain advantages both for the Government and the Opposition, the Government being able to embarrass opponents who talked against a measure, while not daring to oppose the principle behind it, while the Opposition was able to harass the Government by forcing a recorded vote on matters in which the Cabinet did not have the full support of the back-benchers. This whole situation, however, was changed and complicated by the revision of the rules that took place in 1927, and which has been described as follows:

...Rule 1 of the House was amended ... to make the Commons dependent on the current British practice in unprovided cases. After that session, therefore, members could not properly be forced to vote in Canada, but Speakers' rulings confused the situation. In 1928 Rodolphe Lemieux ruled first that members must vote if in the House and later that they were free to abstain if they so wished; the year after he admitted that there was a "rarely enforced" custom in Canada which compelled a member to vote, but refused to enforce it. 39

The matter came to a head in 1931 in the debate on the Address over the question of voting on amendments. Mackenzie King, now safely in opposition, had moved a broadside amendment that blamed the Government not only for its failure

to provide a remedy for unemployment and agricultural distress, but which also held the Prime Minister personally responsible for the failure of the London conference, and which concluded with the dire prediction that under current policies and management matters could only get worse.⁴⁰ The progressive elements in the House felt that the Liberal amendment was far too negative in character, and Robert Gardiner, U.F.A. for Acadia, moved the subamendment calling for a committee to examine the causes and extent of the depression and to recommend both corrective and preventive measures.⁴¹

The subamendment, with solid support from the Liberals, did rather well, getting 82 votes, but Irvine and eight others refused to return the favour when the amendment was voted on. This action was sufficiently well-precedented that, when Thomas Simpson, Conservative from Algoma East, complained that several members had not voted, the Speaker, the Hon. George Black, remarked, "My understanding of the rule is that hon. members may refrain from voting if they see fit."⁴² But after considerable exchange and prodding, the reluctant Speaker called upon the recalcitrant members to declare how they would have voted. Faced with this direct order to declare themselves, most of the group declared that they were paired with each other, a polite evasion which clearly violated the practice that there can be no pairs when both members are in the House. But, as the following exchange shows, Irvine stuck to his guns with no attempt at evasion:

Mr. LUCHKOVICH: I was paired with the hon. member for Wetaskiwin. (Mr. Irvine)

Mr. IRVINE: I am not paired, and I am not declaring. 43

The unhappy Speaker then tried to let the matter drop with the remark "The Speaker has now discharged his duty with regard to the matter,"⁴⁴ but he reckoned without his irate and domineering party leader, and the House was then treated to the following astonishing spectacle of the Prime Minister dictating to the Speaker on how he was to perform his office:

Mr. BENNETT: Perhaps nothing more serious has arisen since I have been in parliament. The authority of the Chair is challenged, is defied openly by members of this house. The house must then do what the rules require. You will name, Mr. Speaker, the members thus in contempt. The Sergeant-at-Arms will touch each of them on the shoulder and they will be retired from this house. 45

By now it was evident that the Speaker was highly embarrassed and he was most grateful to King, who, instead of adding fuel to the fire, came to his rescue with the timely suggestion that the dissident members be permitted to escape the onus of disobeying an order of the Chair by allowing them to withdraw on the grounds of a misunderstanding of the rules. The amendment was then declared lost on a 73 to 113 vote by a relieved Speaker.

The next day Bourassa gave notice of motion to amend the standing order so that a member would not be obliged to vote. When the matter came up for discussion the Prime Minister countered with a demand that voting be made compulsory. After some discussion the whole matter of voting was turned over to a committee for solution.⁴⁶ Inadvertently the matter

of compulsory voting was not specifically mentioned in the terms of reference, and this permitted the committee to evade the issue completely, and it merely recommended to the House that another clerk be employed to speed up the tally at division.⁴⁷ This cagey steering between the whirlpool of British practice and the rock of a domineering Prime Minister shows just how evasive and obscurantist parliamentarians can be when they feel themselves in a squeeze.

Upon first reading the whole incident seems to be just another of those spontaneous crises that happen from time to time in the House, but the fact is that Irvine carefully plotted his course, as can be seen from the following remarks that he made in support of Bourassa's motion:

We have had occasion to study the rule and we have studied it; and we knew perfectly well that the rule became obsolete in Great Britain in 1906. We knew that we were following the British practice in respect of that rule, and we knew also that we had the ruling of the previous Speaker on the matter. So that I knew when I made that declaration that I was observing the rules of the house and was the only man who was keeping them. 48

Although in this case Irvine did not get the de jure settlement he was looking for, time has given him a de facto victory, for, as W. F. Dawson writes:

The question of compulsory voting has, however, remained unsettled. The most recent suggestion was in 1948 when the Clerk of the House advised that voting should be made obligatory. The suggestion has not been adopted and members now vote or refrain from voting as conscience dictates. 49

2. Voting Reform

The reformers who flocked to Ottawa in 1922 were not only concerned with the internal improvement of Parliament but they also believed that there was a necessity to change the electoral process which dictated the composition of the House. The great disparities between the popular vote and the candidates elected was a matter of real concern to the Progressives⁵⁰ and therefore it appeared only natural that W.C. Good, Independent Progressive from Brant, President of the Co-operative Union of Canada, and noted champion of reform, should introduce a motion on May 10, 1922, stating:

That, in the opinion of this House the Alternative Vote method should be adopted for use in future elections for this House in all single member constituencies where more than two candidates are running for election,

Also that, in the opinion of this House, for the purpose of demonstrating the working and effect of the true Proportional Representation system, one or more multi-member constituencies should be constituted as early as possible in which that system would be applied at the next general election. 51

The record of the debate covers twenty-three pages of Hansard and Prime Minister King gave the resolution his unqualified endorsement. However, "at six o'clock the House adjourned without question being put pursuant to rule" and there was no further chance to ask it that year.

The following year, in an attempt to get a decision on the matter, Good raised the question again. Only this time, operating on the principle that half a loaf is better than none, he split the original motion into two separate resolutions, the first calling for the alternative vote, the second proposing

a test of proportional representation in one or two multi-member constituencies.⁵² The first resolution, which had been debated thoroughly the year before, was carried without division after Meighen received the following reply from W. S. Fielding, Minister of Finance, as to the policy of the government:

The motion, having been brought forward by a private member and not by the ministry, any member of the government is free to vote as he pleases on the subject. For myself, I intend to vote for the motion of the hon. gentleman ... I may say that when this matter was debated last session the Prime Minister expressed his views upon it, giving his assurance of support of the motion. 53

In the long debate on the second resolution, Irvine, who had been silent the year before, spoke at length, pointing out the inconsistencies of the opponents of the proposed change, and argued very logically, but to no avail that:

Proportional representation will ensure that a minority will never rule. It will also ensure that no considerable minority will ever be excluded from having a voice. Is that not democracy? What have the self-appointed protagonists of democracy and majority rule in this House to say about that? Are they opposed to the minority having a voice? Are they opposed to majority rule? If so, they may vote against proportional representation; otherwise, they are voting against the very things they pretend to be willing to see established. 54

The debate went on for forty-five pages, and although the resolution was lost 90 to 72, it is interesting to note that the Prime Minister; E. Lapointe, Minister of Fisheries; W. C. Fielding, Minister of Finance; W. R. Motherwell, Minister of Agriculture; J. Murdock, Minister of Labour; and J. Robb, Minister of Trade and Commerce; all voted for this very

progressive reform.⁵⁵

But, as has so often been the case with the Liberal party, the vote proved to be no more than one of those periodic flushes of reform fever that had been contracted from their famous Platform of 1919, for in reality the votes proved only to be the flowers that the Cabinet so generously heaped upon the casket of electoral reform. True, they exposed the body to public view again in 1925 when Lapointe, now Minister of Justice, introduced Bill 149, which was to provide the necessary amendments to the Dominion Elections Act so that the single alternative vote could be introduced to all single member constituencies where three or more candidates had been nominated. Only Meighen, with his sharp sense of smell, detected something wrong, but even he was side-tracked when the minister gave an inconsequential and semi-jocular reply to his question as to why the bill had not been included with the regular amendments that were being made under the decennial review of the Act.⁵⁶

A formal certificate was never issued by the Cabinet; the simple fact that Bill 149 was not called for second reading was proof enough of death. Professor Blair Neatby accounts for this quiet demise as follows:

King had received many warnings from the western Liberals of what to expect unless the alternative vote was introduced, but apparently Quebec was still opposed to the measure. King, too, had at last become convinced that whatever its short-run effects might be, it would not be politically advantageous over a long period. He wrote:

It tends to encourage and perpetuate third parties.
Whatever the effect of this may be logically and

even provincially, I do not think that from the federal view this is in the best interests of our Dominion. The difficulty of maintaining unity in Canada is very great indeed. It can best be achieved, I believe, by parties prepared to unite on definite policies, declared to the electorate in advance. The group system tends to make for continuous unrest and perpetual upheaval. 57

The matter was raised again on June 29, 1934, when the House was in Committee of the Whole and dealing with the decennial revision of the Dominion Elections Act. When they came to the section on voting, Irvine argued that the ideal answer to the chronic weaknesses of the voting system would be to introduce proportional representation, pointing out the glaring example of Saskatchewan where the Conservatives had polled over one-third of the popular vote but had not secured a single seat, and he then listed over sixty places where proportional representation was being used for either federal, state, or municipal elections. However, he did acknowledge that to accept the entire proportional representation proposal would mean having to go over the whole redistribution again in order to regroup the constituencies, therefore he moved, as a modest first step, an amendment that called for the transferable ballot to be introduced into all single member federal ridings. 58

H. Guthrie, Minister of Justice, while conceding that there may be some merit in Irvine's proposal, straightforwardly argued that there was not a great demand for such a reform in Canada at that time and stated that he did not think it was an opportune time for consideration of such a question and he

concluded "...therefore I must tell my hon. friend that at the present we cannot look favourably upon the proposed amendment."⁵⁹

A more interesting and equivocal reaction came from the Liberals, now in opposition. Lapointe, while regretting the lateness of the hour and the fact that no "educational work" had been carried out for such "a radical change", stated that although "I quite understand that there are those who would not be willing to vote favourably under these circumstances...as far as I am concerned, I will support the amendment of my hon. friend."⁶⁰ King, blessed with a politician's memory, and safe in the knowledge that no one was reading his private papers, piously declaimed:

The hon. member who introduced the amendment suggested that the leaders of the parties give their followers freedom to vote as they please. Let me say to him at once that as far as the Liberal party is concerned, each member is absolutely free to vote as he pleases. Personally I shall vote for the amendment if it comes before us, and the hon. member presses it to a vote, because I am in favour of the alternative vote and am also in favour of proportional representation. But I must say that I agree with the Minister of Justice and my colleague from Quebec East, that to press this matter to a vote at the moment would probably only serve to prejudice the cause that the hon. member has at heart. ⁶¹

Irvine, most probably discouraged at such self-sacrificing support from the high-principled pall bearers of Bill 149, quietly withdrew his amendment "in hope of having an opportunity of introducing it at some other time."⁶² The idea may have been introduced to the House since then, but the time has not arrived when anyone has been really able to resurrect the victim of such loyal care and tender concern.

3. Financing Political Parties

Finances have always been a source of real concern to political parties, especially to those in opposition. Whatever troubles the traditional parties may have in the raising of funds, one can assume that in our society socialistic or labour-oriented parties will have the same problems, only magnified many times. Certainly the small Labour party that appeared in the House in 1922 was no exception to this law of diminishing contributions for the Left. The most obvious source of income for any labour party is, of course, a system of dues levied on the membership of politically-active unions, or some other such system of regular contributions. One may be certain that Woodsworth and Irvine had looked very closely at some such solution long before they made their debut in the House. Unfortunately for them, such an arrangement of systematic contributions, or even of occasional donations by unions or other such sympathetic associations, was specifically prohibited by Section 10 of the Dominion Elections Act.

Another restriction of the Act that the reformers found irritating was Section 11, which prohibited non-residents of Canada from taking part in election campaigns. This restriction was especially galling to the socialistic reformers of those days because of the very nature of their activities. Since they were trying to spread new ideas into a rather conservative society, they could only benefit by inviting men like Bernard Shaw, Ramsay Macdonald, Sidney Webb,

or Major Douglas to help in campaigns, as these men had enough personal prestige to attract large audiences besides giving a certain aura of respectability to the radical ideas they espoused. Irvine, himself, had gone to England in 1923 to take an active part in the Labour campaign,⁶² and undoubtedly he felt that it would only be fair if some well-known British Labourite or socialist thinker could return the favour. Therefore when the Dominion Elections Act came up for its decennial revision in 1925 the Labour members tried to remove these restrictions, and Irvine served notice of their intention by introducing Bill No. 5, the purpose of which was to repeal Sections 10 and 11 of the Act.⁶³

When the bill came up for second reading on February 19, Irvine argued that even the modifications proposed by the Government in the revision of the Act would not prevent the large corporations from making financial contributions to political parties but merely change the manner of their giving. "The funds," he declared, "would flow a little more circuituously, but they would be none the less bountiful than they were before this clause was inserted in the law." He was not convinced that corporations should be prevented from making contributions nor that the practice could be prevented by legislation of this type. Wealthy individuals could always make large contributions on behalf of corporations while this could not happen in the case of labour because "...we have no wealthy labour men who are prepared to donate five, ten, or one hundred thousand dollars to an election fund." The crux

of the matter was this:

Election funds in the case of labour have to be collected in twenty-five or fifty cent pieces from individuals. Consequently, while this section may be very easily got over by corporations against whom it was drawn, labour cannot avoid it quite so easily.

He further pointed out that as far as "the right to incorporation of any association for political purposes" was concerned that the

... labour organization is an industrial organization, it is acting under an international constitution, and that international constitution prohibits it from becoming incorporated for political purposes. For this reason the labour organization is unable to do what the organized farmers had to do in order to avoid the penalties of this section. The latter body became incorporated for political purposes and thus fulfilled the demands of the Dominion Elections Act.

He then dealt briefly with Section 11, stating that while Canadians could take part in elections in Britain, it was absurd that Canada "should have such a ridiculous provision such as this which might be used against perhaps very eminent men or women from Great Britain." And he concluded his whole argument by pointing out that the Election Act of Great Britain made provision for labour people to contribute to election funds and that organized labour in their yearly memorandum to the government had called for the repeal of the two sections under attack.⁶⁴

E. J. McMurray, Solicitor General, became quite upset by Irvine's argument, and came to the defence of the act. He stated that both sections had come down from the year 1908 with some amendments and that the provisions were very essential and necessary to prevent large interests and

corporations from using their funds in election matters.

The reasoning of this [is] very apparent. This is not aimed at labour, as my hon. friend the mover of the bill suggests at all. It is broad and involves all corporations. The necessity is plain. Funds in a corporation, and funds in a labour union are there for specific purposes. What right had a corporation to use funds for election matters when these funds were subscribed for an altogether different purpose?

As for Section 11, he pointed out:

... we have embodied in this act measures to see that elections are conducted properly, and that no irregularities shall occur, and if outsiders were allowed to come to Canada they would be at liberty to conduct elections in a way that people at home here in Canada could not do and readily escape back to their own country.

And he concluded by complaining that not being content merely to move an amendment to exclude labour and trade unions from the provisions of Section 10, what Irvine had actually done was to propose "to sweep away all those safeguards that protect us from fraud, and so on, at an election time."⁶⁵

After a brief debate in which Forke argued that "if people wish to go into politics actively in a body, I do not think there is any great hardship in asking that they should become incorporated if they wish to collect funds for that purpose;"⁶⁶ and George Graham, Minister of Railways and Canals, reminding the House of the bad old days, stated that "if my hon. friend had passed through the experiences, particularly in the border counties, that many of us in Canada did years ago, he would not think of removing this restriction,"⁶⁷ and the bill was lost.

Whole considering Bill No. 148 which contained the government's proposed revisions to the Elections Act, Irvine tried the simple approach that had been suggested in February. In a very brief statement he moved that addition of the words "or a labour union" to Section 10, which, in effect, removed unions from its restrictions and prohibitions.⁶⁸ Woodsworth pointed out the extreme difficulty of over one hundred and fifty labour unions each attempting to become incorporated for political purposes, and he tried to alleviate the concern for individual political freedom by referring to the safeguards that had been written into the British act to ensure that no member of a union was forced to contribute to political funds if he did not wish to do so.⁶⁹ However, the strongest support came from Meighen, which was rather surprising as it was his government that had stiffened the penalties under Section 10 in 1920.⁷⁰ Now he complained:

Under our Election Act today, if you print a bill, if you pay something that is quite legitimate and forget about it, if you wear a red ribbon or a blue ribbon or a red tie, if you do anything except stand in an attitude of prayer you have got to go to the penitentiary. The fact of the matter is that we have legislated everything into a crime in connection with an election until if a man were to study the act for half a lifetime he could not possibly comply with it. 71

H. H. Stevens of Vancouver Centre, and former Minister of Trade and Commerce, in the Conservative administration, tried to get the whole section repealed on the grounds that no special privileges should be allowed to labour,⁷² while Sir Henry Drayton, former Minister of Finance in the Meighen government stated:

I am firmly of the view, Mr. Chairman, that in the best interests of the largest portion of our people, namely our workers, the amendment moved by the hon. member for East Calgary is absolutely right. Why? Because it is the way in which they will take the most immediate interest in public affairs. It is the manner in which they will follow public affairs and the only manner in which they will get to know something about public affairs. The man who puts up his money follows public affairs. I am in favour of the subamendment. 73

But in spite of this unexpected help, Irvine was no more successful in June than he had been in February, and the amendment was lost on a vote of 44 Yeas to 52 Nays.

4. Discrimination and the Federal Franchise

Canada has a rather sorry record of treatment of Orientals and one only has to read Professor Norman Ward's study on voting and representation for the House of Commons to realize that the federal franchise is no exception to a sad history of sanctimonious hypocrisy and double-dealing. The following quotation gives a brief background to the situation as it existed when Irvine was first a member of Parliament:

The first federal franchise act in 1885, as a concession to British Columbia members, disfranchised the major groups then in the country by the novel expedient of defining the word "person" so that it excluded Chinese and Mongolians. In 1898, when the provincial franchises were once again adopted for federal purposes, the Government creditably accepted an amendment which rejected existing provincial disqualifications. The Liberal Franchise Act of 1898 stated that the federal franchise would extend to all persons who had been provincially disqualified merely because of their belonging to some special class. This provision remained in force until 1920, so that there was no legal obstacle to Japanese or Chinese Canadians voting in federal elections during that period. 74

In 1920, however, the Conservative government, bowing to its racist elements, again disfranchised most Orientals in Canada by the simple expedient of providing that persons disqualified from voting in provincial elections were also to be disqualified from voting in federal elections unless they were war veterans. Even this small concession was too much for the bigots of British Columbia, and in 1925, during the revision of the Dominion Elections Act, A. W. Neill, Independent from Comox-Alberni, moved that the proviso permitting veterans to vote in federal elections be dropped. His argument was the sort of straight-forward, unapologetic racism that is so characteristic of those who consider that they have a "peculiar problem" that cannot be understood or appreciated by outsiders; and he based his appeal squarely upon the principle of provincial rights.

I am not going to introduce into the debate any reasons why we in British Columbia do not want the orientals to vote. That is not pertinent to the argument. What I submit is this: British Columbia in virtue of the powers conferred on her under the British North America Act has legally prohibited orientals from voting in the province. We have a perfect right to do that, just as we have a right to say if we choose that people with red hair shall not vote.

He went on to complain bitterly that under this proviso a certain number of Orientals had been able to vote in the last federal election and stated that a group of Japanese veterans had even been so bold as to approach the Provincial Legislature with a request for the provincial franchise, an act of presumptuousness that had been turned down as being "not in the interest of the two races". He completed his presentation by this

rather threatening appeal for support from Quebec:

If we in British Columbia are to suffer by virtue of being made subject to a majority, that to-morrow will perhaps be the fate of the province of Quebec. If it is right to take from us our inalienable rights to decide what our franchise is, to-morrow there will possibly be an attempt made to interfere with some of the long standing rights of the province of Quebec. For instance I may say we have a very good educational system in British Columbia but will never seek, I hope, to impose that system in place of the method which prevails in the province of Quebec. 75

Irvine was the only member who spoke out in committee against the amendment. He did not say much but what he did say was sufficient since the majority of the House was of the same frame of mind.

If we wish to prohibit the orientals from coming to this country, the proper way to do it is certainly not to do it through the Elections Act. We cannot hope to solve the oriental problem by imposing restrictions and seeking to oppress these people. If I mistake not the only reason that has ever been given for the Boer war was just that very question - that the Boers while admitting the British born to their country sought to deprive them of some of the rights of citizenship among which was the right to vote. I would certainly be sorry to see any such practice followed in Canada. I hope the amendment of hon. member for Comox-Alberni ... will receive the quietus which it merits. 76

The question of legal discrimination came up again in 1943 when the Conservative government, in contrast to the Liberal policy of opposing at the federal level the discriminatory electoral practices of the provinces, introduced Bill 101, the Dominion Franchise Act, which expanded the provincial prejudices into the federal field. The offensive part of the bill was a paragraph which disenfranchised federally "in the province of British Columbia every Doukhobor person

and every descendant of any such person, whether born in that province or elsewhere, who is by the law of that province disqualified from voting at an election of a member of the legislative assembly of that province." 77 Some very interesting facts came to light while the bill was in committee. For instance, in West Kootenay, after Peter Verigin had instructed his followers as to their democratic responsibilities of citizenship, a dramatic reversal of the normal Doukhobor policy of complete boycott of elections had occurred, and out of 284 votes cast by Doukhobors at a single poll every single ballot had been correctly marked for the Liberal candidate. The Conservatives had only been able to counter this threat by taking shady measures that had effectively deprived the Liberal party of the support of the other 2000 or more civic-minded Doukhobors in the constituency. It was no coincidence that W. K. Esling, the sitting Conservative member for that riding, made an impassioned plea for disfranchising a group "in which the leader dictates and dominates the marking of the ballots" and argued at the same time that the Doukhobors were glad to be disfranchised because they felt that this act would confirm the famous Order-in-Council of 1896 which had exempted them from military service.

78

When the matter came up for third reading a real donnybrook broke out over Woodsworth's motion that the bill be returned to committee with instructions to strike out the offending paragraph. A whole phalanx of former members of

the Liberal cabinet struck at the bill: I. A. Mackenzie, former Minister of Immigration; W. R. Motherwell, former Minister of Agriculture; W. A. Euler, former Minister of National Revenue; E. Lapointe, former Minister of Justice; and Mackenzie King. They raised some very painful welts on the back of the Government, salting the wounds with remarks like: "... it is a pernicious, vicious, and iniquitous principle to single out any race by name in any legislation of this country and to deprive them of their franchise... to the third and fourth generation," or "... what possible justice can there be in disfranchising the descendants of these people who cannot possibly be held responsible for the sins, if you call them that, of their parents?" Finally the inevitable question was raised by a prominent Jewish member from Quebec, who had been very active in civil rights, and who asked, "How is a judge to decide who a Doukhobor is, unless he comes to court without clothes? ... This is the introduction of Hitlerism into the parliament of Canada."⁷⁹ Finally the debate closed and the Woodsworth motion was lost on a vote of 27 to 56 with 75 pairs, but only after R. B. Bennett had demanded and received a reluctant withdrawal on the part of C. R. MacIntosh of North Battleford, of a statement that "... the government ... and the Prime Minister have disgraced and dishonoured Canada." 80

One can only ask where Irvine was during this splendid debate, a debate tailored to a man of his forensic talent and wit, a debate that he could not have kept out of

ten years earlier. There is a noticeable falling off of Irvine's drive and interest in the debates of the House during the 1930's as compared to his great vitality earlier in his parliamentary career. If one merely makes a rough count of the items that Irvine spoke on, as listed in the index of Hansard, the following picture emerges:

<u>Session</u>	<u>Items</u>	<u>Session</u>	<u>Items</u>
1922	37	1932	23
1923	56	1933	26
1924	68	1934	24
1925	54	1935	12
	<u>215</u>		<u>83</u>

The close observer can only come to the conclusion that Irvine was rather tired and dispirited by what he had begun to feel was a parliamentary charade in which there was little that could be done by the ordinary member to decide or to alter the course of action that had been laid down by a caucus and cabinet-dominated government. Over and over in Irvine's later speeches in the House and in the cross-fire of debate, one runs across this theme of the futility and hopelessness of the ordinary members' efforts to make a real and meaningful contribution to the process of legislation. In 1926 he wrote that

... arguments, no matter how wise, brilliant and constructive, are wasted effort in Parliament. The wit and wisdom of all contributors to the debate are embalmed in Hansard at a big expense to the nation, and are finally laid to rest in the royal tomb of political dreams. Private members may talk freely on all subjects, but are not permitted to do anything. Private members are prevented effectively from accepting or discharging their responsibilities to their constituents. This is democracy as practiced in Parliament. 81

and later on in the same book he made the caustic remark that "... under this system, an imbecile who would stand up when he was told would fulfil the function of the average party member of Parliament as well as the ablest man there."⁸² Irvine, however, was not the man to accept such a state of affairs as being sacrosanct and immutable, and in the theory of group government he felt certain that he had discovered the precise and necessary solution to the dry-rot of futility that was stifling the operation of true parliamentary democracy under the repressive party system.

5. Group Government

Those who write about the political history of Western Canada almost invariably comment about the strong anti-party sentiment that developed there in the early part of the century and which is still widespread. The farmers began to feel that the "national" or "old-line" parties were controlled by Eastern interests and that even if Western party members held true to the interests of their constituents that they would be overwhelmed in caucus by the large majorities drawn from Central Canada and that they would be whipped into line by cabinet pressure and party discipline. The defeat of reciprocity was merely a painful confirmation of a deepening and widespread suspicion, and, acting as a catalyst

... it sharpened the distrust of the old parties which had been growing among the organized farmers. It weakened both old parties in the West. The farmers' movement was troubled as never since the days of the Patrons by an agitation for political action, an

agitation the depression of 1912-13 was to invigorate.⁸³

Professor Macpherson, dealing with the phenomenon of anti-partyism, comes to an even more basic reason for its existence than the defeat of reciprocity, the harshness of the depression, or even the perpetual minority position in the caucus. He states that the fundamental problem was that

...they were not equal members of a federation; the federal government was to them not only a federal but an imperial government. It was therefore essential to the purposes of the provincial community that its government would be an effective offensive and defensive weapon against this imperial power. A provincial party system in which each of the alternative parties was a subordinate section of a federal party had nothing to commend it as a weapon against the central government; from this fact, a strong antipathy to the party system appeared in the west soon after the federal parties had managed to establish themselves in provincial politics. 84

But the mere fact of anti-partyism, or regional anti-colonialism, does not explain the emergence of the group government theory. This idea, which became so popular with the farmers just after the war and on into the depression years, was not native to the prairies, but was rather, like so much else in Canada, a transplant that flourished in the fertile frustrations of the West. The basic concepts grew out of and evolved along with the development of socialism, having its faintest roots in the speculations of the physiocrats of the 18th century, taking a more tangible form in the teachings of the Utopian Socialists, especially in the ideas of Charles Fourier that society should be organized around economic associations, and flowering in the anarcho-syndicalism of George Sorel.

Paul Sharp, in his explanation of the development of Henry Wise Wood's political and economic ideas, may well be speaking of many other Westerners when he states:

Wood simply reduced to a philosophic system the physiocratic ideas he had heard since his youth on a Missouri farm. He, like most North American farmers, had early observed the efficiency of the industrialists' "class organizations." On both sides of the international boundary farmers envied the powerful influence over government exerted by such organizations as the Canadian Manufacturers' Association and the National Association of Manufacturers. They had witnessed the rapid growth of trade unions into powerful class organizations, and many believed, as a result, that the farmers, alone, unorganized, carried the burdens of the economic system.

85

From this basic premise Wood developed his interesting theory of evolutionary development from a competitive to a co-operative society, and since the ideas of evolutionary, rather than revolutionary, social reform was one of the underlying themes that ran through Irvine's political thought, and since Wood helped shape the political thinking of the West and formed the party that Irvine was to represent for two terms at Ottawa, perhaps it would be well to quote at length from Professor Macpherson's analysis of Wood's thought.

The burden of Wood's social theory was that in the prevailing competitive economic order there was a necessary and increasing opposition of interest between "the masses" and "the plutocratic classes," and that this opposition was becoming more conscious and open as the mass of people organized themselves in occupational groups, and that it would come to a head in a final conflict in which the defeat of the plutocratic forces would put an end to the competitive order and establish a harmonious co-operative society.

This forecast of the pattern of social development was placed in a long evolutionary perspective, and idealized, by being shown as the culmination of a conflict between two principles animating society from the beginning -

the principle of competition and the principle of co-operation. Competition compelled co-operation for survival, but co-operation made competition fiercer. Competition, operating between increasingly large and strong groups, had now reached the point of destructiveness, in class conflict and international war, which would compel men, as rational and moral beings designed for social life, to transcend the competitive principle and follow only the co-operative principle. Moral values were assigned to the two principles; competition was the true law of animal life and the false law of human life, co-operation was the true law of human life, and nature's design required that the human law, being the higher, should triumph. 86

Although from a different background and travelling a different road, Irvine had reached essentially the same conclusions about social development as Wood. Long before he arrived at Ottawa he had been very active as a minister, an editor, an author, and a politician in the propagation of "the true law of human life." The "natural law" which Irvine expounded had a more scientific flavour than Wood's doctrine, but in essence it was the same: competition between the increasingly large groups must be replaced by co-operation. Co-operation was not something new, as it had already been discovered and its techniques developed by the large competitive groups such as corporations, cartels, monopolies, unions, and professional organizations. The present conflict involved three main classes: capital, labour, and farmers, and the class war "will go on until the collective mind discovers salvation in co-operation."

Here is a rather different approach from Wood's. Irvine took "class war" between capital and labour as given; the function of the organized farmers was in Irvine's view to hasten the inevitable transformation of class war into class co-operation. The need to transcend

class conflict was given by its increasing destructiveness; the possibility of transcending it was given by the law of social development that competition compels co-operation for survival. The farmer's movement was the natural agent of the final transcending of class conflict because "the farmer, in reality, combines in his own profession the two antagonists. He is both capitalist and labourer. He knows that production is not furthered when war is going on between the two. He sees, also, the hopeless deadlock between organized capital and organized labour and is thus led to the discovery of co-operation as the synthesis without which progress cannot be made." And, "although fathered by oppression, the farmers' movement has escaped that bitterness of feeling against capital, and that extreme rashness of both expression and action, so characteristic of labour." Thus Irvine made a virtue of the ambiguity of the farmer's position, and saw the farmer as transcending the conflict and leading the way to its resolution. 87

While the main contenders in the present struggle were capital, labour, and the farmers, Irvine was convinced that the end of the exploitive order would reveal that the real classes were the occupational groups and that real class conflict would continue because of the natural competition between the groups of producers over the exchange of their commodities in the market.

Irvine's solution, however, was not basically different from Wood's: the "new system must recognize the many existing classes and provide self-determination for each. A government on the basis of no class would be as false as a government on the basis of two classes. All classes must be recognized." Rational co-operation is assumed. Irvine's socialism was readily assimilated and subordinated to the independent commodity producers' outlook which is found unalloyed in Wood. 88

Although one can find a great deal about group government in Irvine's earlier writings, such as The Alberta Non-Partisan, The Farmers in Politics, and also scattered through many of his speeches in the House, the best and most

complete presentation is found in his book, Co-operative Government, which was published in 1930 "in the hope that it will stimulate thought on the current problems ... and that it will assist the people of Canada to understand something of what the United Farmers of Canada, and of Alberta in particular, mean by group organization and its implication of 'Co-operative Government.'"89

Irvine opened his case for a radical change in the form of government with the remark that "the best that can be said for any government today is that it governs in some sort of fashion," and while he conceded that the Canadian government was, generally speaking, "neither better nor worse than governments elsewhere," he stated that the presumption that the British parliamentary system is the best in the world is based chiefly upon the fact that "we have made it ours." He observed that any attack upon the system of government is always regarded as the rankist of heresy for the fact "that a system of government does not, like wine, improve in flavour with age, has not occurred to many as yet," and he figuratively described the Canadian situation as follows:

Canada took over the secondhand political clothing of another country. We appropriated our grandfather's cloak, so to speak. It never did fit properly. At first it was too small for the elf that got into it, but now it is much too small for the robust, developing giant, so much so that the seams are bursting open embarrassingly; moreover, it is very much out of style, and is grotesquely unsuitable for our use. 90

He then went on at length to show that although Canada had a parliamentary form of government, it did not have

a parliamentary democracy, largely because of the domination of the cabinet and the iron control that it exercised by means of the caucus, party controls, and the threat of dissolution. After showing how little power the individual member of Parliament had, he went on to assert that the Canadian people were caught like flies in a web of financial control and as a result

...instead of political power and control originating amongst the people and extending from them upwards to government, the reverse is the case. Political power is generated by finance and comes down through economic avenues to the Senate, thence to the Cabinet, from the Cabinet to the party system, from the party system to the House of Commons, and finally from the Commons to the people.... This is how Canada is governed. 91

He supported his contention that the major political parties were, in reality, creatures of the large financial interests by showing that in the eight times that the Liberals had held office since Confederation, and in spite of vigorous campaigns to the contrary, there had been very little real tariff change. He climaxed his attack on the party system by arguing that there was no way that anyone, no matter how dedicated a reformer, could take over the system and make it function effectively and democratically, for

"...as a system it cannot be taken over and made to work adequately under the new conditions. That is precisely what the Progressive party tried to do. It tried to take over the party system and thought that if it were run by Progressives, partyism would become a progressive system. And so, to change the analogy, the lion and the lamb lay down together, but the poor Progressive lamb was reposing inside of the party lion in very short order. The lion enjoyed the meal, refused to be improved and is now roaring for more "lamb." 92

After observing that "it is too hard to improve lions into lambs that the effort is scarcely worth making," he concluded by asserting that "we need a new political system as different from partyism as the modern industrial world is from feudalism."

93

To begin with, the basis of parliamentary representation was not to be the constituency, having its legal justification in the number of people or the size of the riding, but rather it was to be based upon the concept of the functional group, for, as he pointed out:

The functional group basis of organization, being the natural one, is more stable than the shifting sands of political notions, such as underlie political parties generally. As long as agriculture, for example, is necessary to society, it will remain a firm foundation upon which the groups engaged in its pursuit may build and establish a democratic unit. As long as agriculture is followed as a means of life, there will be many things of a collective nature to be done by those following it. An organization thus stabilized will become the instrument through and by which the collective unit will express and perform the responsibilities of its members in respect of democratic citizenship. 94

In order to prevent the domination of Parliament by any one group the quota system of representation would not be tied to the number of people engaged to that profession or occupation, but rather to the importance of the service that the group contributed to society. The result would be that "every functional group, no matter how small numerically would have representation, while a large group, irrespective of size, would be so limited as to prevent it from dominating the others."⁹⁵

The role and powers of the representatives under the new system would not be that presently enjoyed by members of Parliament, where a member, after being elected by the constituency, is, in fact, a free agent; the only legal control his riding having over him being to reward him or to deny him its support at the next election. Under the group government system the member's position would be that of a delegate bound to

... express and interpret the needs and collective views of his group. He would have no power except that which was given to him by the people who sent him to Parliament. He, or she, as the case might be, would be regarded as a responsibility of the group represented. With each group accepting the responsibility for its representatives, great care would be taken in the selection of candidates. Each group would take pride in the intellectual and moral calibre of its representatives, and the tendency would be to raise the standard of qualifications for the office. 96

One great advantage of the system would be that the number of delegates would not be tied to factors such as geographic areas or population. Therefore, not only could the size of Parliament be stabilized, not having to be increased because of population growth or the addition of new territories, but it could be easily cut down to a convenient and reasonable number of representatives as long as the quota of the various functional groups were kept in proper ratio. The smaller size of Parliament could only lead to a higher calibre of delegate, a more efficient handling of the business before it, and a considerable saving of expense.

Nothing upset Irvine more than the manner of deciding on the issues that came before the House. There can be no

doubt that eradication of the practice of mass voting along party lines by cowed members whipped into submission by cabinet and caucus was a major force behind Irvine's whole drive for parliamentary reform. Nothing in the Commons enraged him more than to see the bright candle of reason, logic, and fact snuffed out by the opaque bushel basket of party control. In his new system this intolerable method of determining the issue on the basis of a party head count would be ended since

...co-operative government would establish the supremacy of Parliament and destroy the supremacy of party by separating every issue from the life of the administration. Every issue would then stand or fall on its own merits or demerits. Members of Parliament would know that, under the co-operative system, they could vote on each issue according to their own intelligence, without bringing about dissolution, and that, if the defeat of the Government was desired, an issue might be made out of that alone. 97

Another change that Irvine proposed was that the ministers or heads of Departments should be responsible to Parliament but not members of it. It did not appear any more reasonable to him that the ministers should leave their positions because of a political switch in popularity than if the judges of the country should retire under the same circumstances. Furthermore, he did not think that the qualities that made a good politician were necessarily those that made a good administrator, and therefore he felt that placing a politician in charge of a government department, even if there were a competent deputy minister on hand, could only serve to hinder, confuse, or foul up the orderly course of

administration. As a solution to this unsatisfactory situation he proposed that instead of members of Parliament being appointed as ministers, that the heads of the departments be made permanent employees of Parliament. The results would be that

... the position of head of a Department would then be permanent as the good qualities of the one holding it would warrant, or as impermanent as incompetence deserves. In this way, the country would gain by the experience which years of service would bring to its administrative staff, and would be saved from the possibility of the perpetual incompetence which the party system makes inevitable. 98

Irvine did not spare that most sacred of political cows, the popular election, in his sweeping proposals for reform. He called it "one of the most inadequate and outworn parts of the party machine" and stated that, beyond finding a majority for someone at each poll, its "every other feature is harmful in the extreme to the body politic." After making the standard complaint that "the vote of the least intelligent is equal to that of the most intelligent" he went on to present the dilemma facing a voter who finds seven planks in the Liberal platform very attractive while five are undesirable. He completed his attack on popular elections with this tour de force:

Popular elections have other weaknesses. They may be fittingly described as brief periods of collective insanity induced by expert mob psychologists and trained advertisers. The entire nation becomes a mob under the influence of platform and press. In the highly emotional atmosphere, and in the hubbub and uproar of its unbridled expression, calm and rational reflection is out of place. For the time being, the national mind is blank and the mob reverts to the guidance of the primitive instincts

of fear, hate and prejudice. The accessories of this exalted "ballyhoo" have been such things as liquor and money, patronage and defamation of personal character, religious and racial prejudice, lies and childish speculations. These, with the savage instinct of conflict, all conspire to prevent the people from giving consideration to any issue or from coming to a sane conclusion on any question. 99

Group government offered a strikingly simple solution to the defects of popular elections - eliminate them.

Popular elections will not be required when people are organized and democracy is capable of minding its own business. When that time comes, each organized group will elect its own quota of representatives to Parliament. When one of the elected members dies, another will be sent; when one, for any reason, becomes incompetent, he or she will be recalled and replaced by another. All the fuss and uproar of general elections will slip into the past where they belong. Then the real issues will be discussed and settled by the people themselves, and each group will become responsible for its decisions. 100

The ultimate test of group government would be if, in fact, it could reach its goal, the transformation of the political scene from an arena of conflict to a forum of co-operation. Irvine had no doubt that the application of the group principle to the mechanics of politics would result in politicians co-operating according to the "higher law of human life" rather than competing according to the "law of animal life." He was certain that the very fact of the interdependence of the functional groups in a modern industrial society would quickly teach the members of Parliament that the true interests of each group is inseparably intertwined with the true interests of all other groups, and he ended his book on this optimistic note:

It may be concluded, then, that, since it is human nature to seek the best for itself for the least possible effort, co-operation will be adopted because it does both. It will yield the best results to every group in view of their organic interdependence, and it will be the easiest way of attaining that result, since it will be mutually sought. It will be impossible, because human nature is what it is, for any group to fight for control of power when it knows that it will be better for itself to share the responsibilities of power. It will also be impossible for any group to get power under the constitution of a co-operative government. These are the reasons why groups in the Parliament of the future will co-operate rather than fight. 101

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Chapter III

SOCIAL REFORM

1. Capital Punishment

It would have been completely out of character for a progressive and a radical of Irvine's calibre and temperament to have appeared in the House of Commons in the 1920's and not to have tried to do anything to further the cause of those perennial favorites of all dedicated Canadian reformers: the abolition of capital punishment, the establishment of old age pensions, and divorce reform. These concerns constituted the stigmata of the social crusader of that day and Irvine bore the marks proudly. One of his earlier acts, once he had become familiar with the workings of the House and had shed his neophyte status, was to introduce, in February 1923, Bill No. 8, whose purpose was to abolish the death penalty. In spite of the early introduction of the bill, by April it became clear that the Government was not enthusiastic about spending time on such a subject, and, in spite of a rather plaintive request by Irvine for action,¹ the bill never did reach second reading.

The next year Irvine started even earlier, the abolition of the death penalty being introduced as Bill No. 3, and on April 11 the bill was moved for second reading. He opened the debate by stating that on the numerous occasions when capital punishment had been discussed in the House before, the ethical and religious arguments had been considered very thoroughly and that he therefore proposed to confine his presentation to the historical and scientific point of view.

After showing that the basis of the criminal code was the natural animal instinct of self-preservation and retaliation and that after time went on the desire for retribution and revenge came into play, he asserted that "as humanity developed intellectually and morally, we found it incumbent to find some rational sanction for the practice of taking the lives of other people, and so we said: We will take life for life on the ground that this will deter other people from committing crimes." He then went on to prove by expert testimony, historical example, and statistics that capital punishment does not act as a deterrent nor that the abolition of the death penalty, as was carried out in Holland in 1870, increased the rate of homicide. He demanded that the Minister of Justice bring in some proof, not mere belief, that capital punishment "had hindered one criminal from committing a crime. I want that proof; I am not going to be satisfied with a mere belief in the efficacy of this old barbaric practice." And he closed his presentation with the statement:

The fate of the bill will depend upon whether the mere momentum of a practice that cannot be defended on historic, scientific, moral, or practical grounds, shall carry us, or whether this House reaches a decision through the highly humanized intelligence which it undoubtedly possesses. 2

The long debate that followed proved very interesting and provided some rather dramatic moments, such as W.C. Good reading from Thackeray's "On Going to See a Man Hanged," and Agnes Macphail's devastating question:

When we are trying to teach children to be truthful do we lie to them? I think not. Or if we want to teach people to be honest, do we steal? If we want to teach the hater

to love do we hate him? Well, then, if we want to teach people to respect and revere human life, that which we can take away but cannot give, can we do so by taking human life? 3

But the debate also showed that historical argument and scientific evidence were not enough to move the "highly humanized intelligence" of the more conservative members of the House. Ernest Lapointe, Minister of Justice, dismissed the contention that the death penalty was based upon the desire for revenge and retribution and, in the face of all evidence, flatly stated: "... whatever may be said I am convinced that it is a deterrent. After all, every human being values life more highly than anything else, and even the dumb animals recoil from death."⁴ In a similar vein Arthur Meighen declared:

I for one am profoundly convinced, so profoundly that I am sure nothing, even infinitely stronger in the way of argument than anything I have heard today, could move me, that the very security of society, all that we hold dear, depends upon maintaining strong and stern the death penalty against the most vicious of all crimes. 5

In spite of support for the bill by such government leaders as E. J. McMurray, Solicitor General; and George P. Graham, Minister of Railways and Canals; the majority attitude was best exemplified by the Prime Minister who, ignoring all statistical evidence, declared: "I believe that the number of murders would vastly increase once the death penalty were abolished."⁶

The next day both the Toronto Globe and the Manitoba Free Press played up the fact of the difference of opinion between the Solicitor General and the Minister of Justice, while the Edmonton Bulletin devoted most of its account to a lengthy

and clear presentation of Irvine's main arguments. However, the sentiment that lay behind the rejection of the bill by a vote of 92 to 29 was probably best expressed in the Calgary Daily Herald, which editorialized:

That hardy perennial, abolition of the death penalty, has again been discussed in the Dominion parliament.... Advocates of abolition find it difficult to make converts to their cause and particularly so when hardly a year passes but one or more murders of the fiendish sort are recorded, causing even the tender-hearted to harden themselves against anything less than life forfeiture as punishment for the perpetrators....

.

... Periodic application of the rope's end coupled with hard labour at some remunerative employment, proceeds of which could be used in maintaining victims of the prisoner's offense might, if adopted as a substitute, sweeten the idea of the abolition of the death penalty in the minds of many people. Much as we dislike the capital punishment idea, we like less the idea of the state being forced to maintain murderers in idle comfort for the full period of their natural lives. 7

The observer is struck by the thought that, in rejecting the bill, the House was probably far more in harmony with the feelings of the general public than is the case today when many Canadian politicians seem to be well in advance of public opinion on this matter.

2. Old Age Pensions

In the parliamentary arena Irvine was one of the most active members behind the implementation of an old age pensions scheme for Canada. One has only to scan the debates in the House to realize that he was even more energetic than Woodsworth in the constant prodding of the ministry which eventually resulted in the rather limited Old Age Pensions Act of 1927.

King's biographer is not overly appreciative of Woodsworth's role,⁸ let alone concerned about dispensing credits to a back-bencher; but it is surprising that the Woodsworth's biographer, in his rather detailed treatment of this question, completely ignores the more active role of Irvine from 1923 to 1925, while mentioning that during this same period of time Woodsworth twice asked whether the Government intended to introduce old age pensions.⁹ It is one of those quirks of fate that Irvine, defeated in the election of 1925, was unable to join Woodsworth and Heaps in holding the pistol of the balance of power to the Government's head. Thus it was that he misses all credit, even with a sympathetic historian, for his great contribution towards a social advance that was eventually put into effect by more powerful political figures.

The subject of old age pensions had been under consideration for some time in Canada. In 1906 a resolution was introduced in the House to deal with the matter, and again in 1908, 1912, and in 1913 resolutions were introduced calling for the appointment of special committees to consider the advisability of adopting an old age pensions plan. In 1908 a law was passed authorizing the sale of annuities for old age, the first practical movement in the direction of old age pensions ever made in Canada. In 1914 a resolution in favour of an old age pensions system for the country was moved in the House but the debate was not concluded. Organized labour had called for such a measure through the Trades and Labour Congress; it had been incorporated into the program of the Liberal Convention

of 1919, that capacious grab-bag of most of the progressive ideas of the period; and in 1922 a Liberal-sponsored resolution had been passed urging the Government to "consider the advisability of devising ways and means for the establishment of a system of old age pensions in Canada."¹⁰

As is so often the case in a broadly-based organization, there was a tremendous gap in the Liberal party between the idealists who supported the progressive resolutions of the 1919 Convention and the more conservative majority who were quite willing to vote for a radical omelet just as long as they were not required to break any eggs. The old age pensions concept was no exception and, although Mackenzie King was personally in favour of such a scheme, there was a great deal of opposition within the caucus, especially on the part of the French Canadian members, along with the strong opposition of the Taschereau government of Quebec which happened to be Liberal.¹¹

Under these circumstances it is not surprising that it wasn't until 1924, after repeated questioning and prodding from its own members as well as the opposition, that the Government decided to appoint a special committee to look into the matter and to report back to the House. After placing the committee under the chairmanship of William G. Raymond, a dependable Liberal from Brantford, the Government then diverted the fire of some of the more devoted advocates of the idea, such as Joseph E. Fontaine, the Liberal from Hull who had

introduced the resolution calling for such action in 1922, and William Irvine, who represented the radicals, by placing them on the committee.¹²

After considerable research into the pensions systems of England, Australia, New Zealand, and certain other countries, and a study of the information that was gathered from municipalities right across Canada, the Special Committee presented the following recommendations to the House on July 1, 1924: that pensions of \$20 a month be granted at the age of 70 to all British subjects of 20 years residence in Canada and to all naturalized citizens of at least 15 years citizenship who had completed 25 years of residence, that the maximum of \$20 be lessened by private income or partial ability to earn, that the costs be shared equally between the provinces and the federal government, and that the government initiate the action by communicating with the provinces to ascertain their willingness to join the scheme on a voluntary basis. The committee estimated that approximately 98,850 people would be eligible and that if all received the maximum pension the federal government's share would be in the neighbourhood of \$12,000,000.¹³ Since the report was made for information and not for action, nothing further was done that year nor was the question raised again during the session.

When in 1925 the Speech from the Throne gave no indication of any action, Irvine, Woodsworth, and H. H. Stevens, former Minister of Trade and Commerce in the Meighen government, asked questions as to the Government's plans until finally,

on May 1, James Murdock, Minister of Labour, introduced a motion that the report of the Special Committee of the previous year, along with the correspondence that had been received from the provinces on the matter, be referred to another special committee for examination and report. At the same time he reported that while British Columbia had reacted most favourably to the proposal, the general response of the provinces was an unenthusiastic promise to take the matter under consideration. Quebec was the exception to this attitude of indifference for it bluntly refused to co-operate at all in any such scheme.¹⁴

Obviously the Prime Minister was in a bind, on one hand he was being pressured to carry out the idealistic platform of the 1919 Convention, and on the other hand he was faced with the opposition of the conservatives within the federal party and with the prospect of an open rupture with the Liberals in Quebec. Characteristically he picked the political solution, to refer the matter back to a committee and thus avoid having to take any firm stand that might prove embarrassing. Meighen, as sharp as usual, quickly spotted the evasive nature of the Government's action, and ripped off the camouflage with the question: "What inquiries are to be conducted here? What information is to be secured? What facts are unknown? I know of none.... The committee can succeed in delaying progress but what else they can succeed in doing passes my comprehension."¹⁵ Irvine then revealed that although he had been a member of the Special Committee he had refused

to make their recommendations unanimous for the following reasons:

We might go on making inquiries of this kind for the next fifty years and still find some of the provinces unwilling to take action.... My purpose in rising is to urge the federal government to take the responsibility now.... If this matter goes to a committee now, ... no matter what the composition of that committee is and no matter how favourable a report it might make, it is not likely that we will have any legislation this session. 16

The Prime Minister, however, was not to be pushed or shamed into any action, and after pointing out that the matter could best be dealt with by conference and joint discussion with the provinces if it were to succeed, had the same men reappointed to a new special committee to consider and report on the report, and the replies to the report, that they themselves had drawn up the year before.

The results were as predicted. After a decent interval of six weeks the Special Committee reported back that it had found that the provinces were not inclined to enter into the proposal as outlined in the report, that the Justice Department felt that pensions were a provincial matter, and that efforts at negotiations should be continued. The chairman then concluded with these revealing remarks:

Hon. gentlemen will observe that the recommendation involves no expenditure and no responsibility further than the continuance of the idea of establishing in Canada an old age pension system, which the committee think is very desirable, and would like to see proceeded with.... This government has taken the initial step and we hope the matter will be proceeded with and prosecuted until it arrives at a successful conclusion in a co-operative movement between the federal government and the provincial governments. 17

Thus the Government cleared its yardarm and came out as politically willing but legally unable to carry out one of

the more progressive promises that the Liberal party had made to the public six years before.

It was just at this point that men like Woodsworth and Irvine became of such vital importance for they were not willing to let the matter die in the labyrinth of federal-provincial responsibilities and rights. Irvine immediately started the long struggle for a federal pension scheme by rising in the House and expressing his sharp disapproval of the recommendations of the committee, much to the annoyance of some of his fellow members. He denounced the idea that the federal government could arrive at meaningful action through joint federal-provincial initiative and legislation, and he moved that the report be referred back to the committee with instructions that they consider and report on a purely federal plan.¹⁸ After a heated debate the motion was heavily defeated, and some of the members of the Liberal party may well be forgiven if they felt that their ship had been safely piloted between the Scylla of political promises and the Charybdis of provincial rights.

Fortunately the old age pensions project was rescued from oblivion when Fate decreed that Woodsworth would be able to force the Government to initiate a pensions scheme without waiting for provincial support and approval. The bill that the Government introduced closely followed the recommendations laid down by the Special Committee of 1924, one interesting restriction being added that no Indian, as defined by the Indian Act, could qualify for this largess, and it was to

come into effect in any province that agreed to join the plan and pass the necessary legislation.¹⁹ Because of the degree of popular support the Conservatives did not dare to challenge the principle of the bill, and, outside of one neanderthal from Montreal who felt that such a move would needlessly burden the taxpayers and destroy the virtues of foresight and thrift among the masses, that party confined itself to attacking the policy of introducing federal legislation that would have to be administered by provinces that had not been consulted as to its formation. Public support was so strong that the bill passed the House without the division bells ringing, a surprising turn of events considering that only eight months before Irvine's motion had been crushed by a vote of 139 to 17.

Unfortunately for the old people of Canada, the Senate, composed largely of aged gentlemen comfortably retired on roughly 17 times the proposed rate for their fellow pensioners, defeated the bill. Mackenzie King was embarrassed by the fact that three Liberal senators spoke against the bill and that many others absented themselves at division in order to ensure its defeat for this muddled the clear-cut line between the Liberals and the Conservatives. Yet because of the greater uproar caused by the fourteen Conservatives who spoke in opposition, the larger fact was firmly implanted in the public mind that a Liberal government had introduced an old age pensions plan and a Conservative senate had defeated it.²⁰

The federal election of September 1926 ended the political uncertainty that had clouded the Canadian parliamentary scene for the previous five years. There were several important reasons for the success of the Liberal party, not the least being the fact that it had received full credit for having introduced the short-lived Old Age Pensions Bill. That the members of the new House were fully aware of this is well illustrated by the following statement in a speech by the new Minister of Labour, Peter Heenan:

During the last election the question of old age pensions was one of the matters which were most prominently before the electorate of Canada. One could hardly read a newspaper during that campaign without noting some reference to the desirability of establishing a system of old age pensions in this country. If we are to interpret the will of the electorate on that question in the way we usually interpret electoral decisions, there can be no question that the principle adopted in this bill was endorsed by the people of Canada. 21

Irvine, now back in the House as the U.F.A. member for Westaskiwin, resumed his long fight for a truly federal scheme. By now he was no longer a member of a small minority of radicals pushing this view, for the Conservatives now realized just how badly they had been damaged by their reactionary image, and, whereas in 1925 only two Tories had voted along with the radicals in supporting Irvine's resolution, he now had all 91 members of that party supporting his view. The following extract from the speech of the new leader of the opposition, Hugh Guthrie, shows how great was their change of heart:

I am speaking at this moment in order to make our position absolutely clear upon this question. The position

of the Conservative party in this House in regard to old age pensions as proposed in this measure is this. We prefer a federal scheme. We prefer a scheme which will apply equally to every corner of Canada. 22

In spite of the logical appeal and the immediate effectiveness of a federal scheme, the Government preferred to go the slow way of "co-operative legislation" with the provinces. The Minister of Labour put the Liberal case quite clearly when he stated:

To those who still think that the provinces may not co-operate let me say that when other schemes of a co-operative nature were under consideration here it was predicted that the provinces would not participate in them, yet now we have some five or six co-operative schemes in force calling for an expenditure by this government of over \$65,000,000.
23

In reality the King administration was quite willing to sacrifice the immediate welfare of the majority of the old people of Canada in order to avoid any charge of openly interfering in the provincial sphere. By this "co-operative" method the federal Liberals were able to shift the onus for action from themselves to the provincial legislators. True, it was a painfully slow method, for even after the federal portion was raised to 75 per cent in 1931, it wasn't until five years later that all the provinces were participating. But, in the cautious eyes of the Prime Minister it had the double virtue of avoiding any radical action, and at the same time it permitted him to assume a mantle of public benevolence, a very important consideration, as he clearly indicated in his diary when he wrote: "The Old Age pension is now law. For better or for worse I can claim much credit for this. It will

at all events always be a part of liberal administration. 24

Irvine was, of course, very active in the debate. He was heartened by the positive stand taken by the Conservative party and he pleaded with the Government to reconsider its "Mother Hubbard proposal" and to accede to the request of the opposition for an effective federal scheme. He saw clearly that the real question was the immediate relief of the desperate situation of so many of the old people in the country, and that the crux of the matter was going to be the attitudes of the various provincial governments, and, as he pointed out:

If they are not in favour it it, we have really no bill. In other words the bill will be absolutely impracticable. It may be regarded as a good move on the part of parliament to be so kind as to pass an old age pensions bill, but that will not feed very many aged ladies and gentlemen in this country. 25

He then went on to express a special concern about the situation in Alberta, where it appeared that the provincial government was manouvering to avoid having to bring the old age pensions legislation into effect.

In this concern he was not alone, for the press in Alberta had already begun to turn the heat on the reluctant U.F.A. government. In an article entitled "No Pensions in Alberta," the editor of the Edmonton Bulletin explained that in reality the announcement of the Premier meant that there would be no old age pensions for the residents of Alberta, and complained, "Elsewhere in Canada the aged will be given a measure of protection against actual want. In Alberta they are to be left to fate or charity."²⁶ The Calgary Herald, a bit

more skeptical of the benevolence of the federal Liberals, commented in an editorial, "Passing the Buck Re Old Age Pensions," that

The old age pensions matter is another illustration of the trick of governments of hiding behind the inaction of other governments.

An old age pension scheme depends for its success upon the joint action of federal and provincial governments. Last year the King government brought in a measure at Ottawa which was a mere gesture. It was a hollow sham. As it stood it would never have resulted in that alleviation of the distress of the old aged at which such legislation aims.

... The Brownlee government professes to be in sympathy with social reforms of this nature, but it declines to accept any responsibility respecting old age pensions. It discreetly refers the matter back to Ottawa.

So we have again the ancient game of passing the buck. 27

When one realizes that this type of pressure was probably being brought to bear on provincial governments right across Canada, it is easy to appreciate Premier Taschereau's complaint that "it is unjust and unfair for the Federal [government] to make un beau geste and to throw upon the provinces the odium of refusal."²⁸

Once it became clear that the King administration was not going to bring in a federal scheme, the opposition turned its attention to improving "the bird in the hand". A. A. Heaps, of North Winnipeg, moved that the federal government increase its share to 75 per cent, a motion that was ruled out of order on the grounds that it would increase the expenditures of the government and as such was only a prerogative of a minister of the crown,²⁹ and Irvine failed in his attempt to lower the pensionable age for indigent ex-service men to

sixty-five.³⁰

Irvine's final attempt to improve the bill was his attack on the section which provided that a pensioner who lived in his own home, if it had a market rental value in excess of \$125 a year, could receive a full pension only if he transferred his property to the Pensions Authority, who would recover the excess rental value from the sale of the estate after his death. If the pensioner did not make such a transfer, then the rental value in excess of \$125 was to be deducted from his monthly pension cheques. Irvine disagreed on the following grounds:

We give pensions to judges and to military men, but we do not think of selling their houses after they are dead and transferring the proceeds into the coffers of the state. As this is not a charity affair, as was emphasized by the minister to-night, I do not see the reason for this subsection. 31

A bitter controversy broke out over this point but the members were spared the embarrassment of voting by the chairman's ruling that this also came under the scope of increasing costs to the government, and was therefore not permissible under the rules.

It is interesting to note that although the Old Age Pensions Act went through the House without any of the amendments being made that were demanded by the opposition, these modifications, by their very logic and common sense, kept pressing in on the Government. In 1930, R. B. Bennett, who had called for a contributory scheme in the debate in 1925, promised, in his enthusiastic bid for power, that a Conservative administration would establish a federal system of old age

pensions, the cost of which was to be born entirely by the federal treasury. In Halifax he even went so far as to tell a cheering crowd that "I will ask the Conservative candidates from this province who are elected to parliament to vote against me and my government if these pledges are not fulfilled."

³² Although he broke both of these promises when he introduced an amendment to the Act to increase the federal contribution to 75 per cent of the cost, he did carry out the intention of Heaps' amendment of 1927; and Mackenzie King, in his suggestion that the time may have come for a completely federal scheme, was reluctantly following the trail blazed by Irvine back in 1924.

It is sad to note that as late as 1932, in the depth of the depression, none of the provinces east of Ontario were participating in the old age pensions scheme, the very tragic situation as far as many aged people were concerned that Irvine had warned against. By 1934 even the sanctimonious King, who had been salting the debates with congratulatory references to the fact that his administration had introduced the Old Age Pensions Act, hinted in an aside in the debate on the Relief Act that he could have done better, when he conceded: "Well, I would say that if we made a mistake in regard to old age pensions that is no reason why he [Bennett] should make the same mistake."³³ This may not seem much of an admission of error, especially since King immediately denied admitting to one; but for a man of his character to even go that far is

an indication of the serious shortcomings of the legislation as it was first enacted by the Liberals.

3. Divorce by Legislation

One does not get the impression from a study of Irvine's parliamentary career, speeches, and writings that family matters, such as divorce, were his primary field of concern. However, he was not one to hold back in the fight for more rational laws and more equitable justice, and as early as 1924, long before the great struggles of 1928, 1929, and 1930 that forced the Government to set up divorce courts for Ontario, we find him giving solid support to J. T. Shaw, the Independent from Calgary West, in his attempt to have legislation passed that would place the wife on an equality with the husband in regard to the grounds upon which divorce could be granted.³⁴

By the late 1920's divorce legislation and procedures in Canada were in a chaotic situation that only a people raised in a federal state, imbued with inordinate respect for tradition and precedent, and paralyzed by the patina of British common law, would readily tolerate. Six of the nine provinces had divorce courts established by law, while in the remaining three, Ontario, Quebec, and Prince Edward Island, divorce was only possible by means of a private bill that had to pass through both Houses of Parliament. In the Senate each bill was considered by a committee and, if accepted, went on to the Commons for the customary three readings. In the Commons these

bills were most often handled in large blocks, cluttering up the order paper, taking up valuable time, and, whether he admitted it or not, made every individual member responsible for the fact that each year he voted for an increasing number of bills that he knew nothing about.

The drawbacks of this system were many. The Senate did not have the power nor the competence of a regular court in deciding on the merits of the cases that came before it, nor could it make a binding settlement of alimony nor provide for the proper maintenance of the children. Although this method was very expensive, even that did not prevent the increasing number of divorces which had to be ground through the parliamentary mill every session. During the first fifty years of Confederation Parliament had voted 310 divorces; from 1917 to 1921 inclusive it granted 294 divorces; and in the next five years it ground out 608. Even this increased rate was not enough to meet the Ontario problem, and in 1928 there were 548 Canadian divorces secured in the city of Detroit alone. That it was becoming increasingly difficult to deal with the pyramiding number of divorces, let alone to maintain the fiction of legislative morality and principle, is clearly illustrated by the following outburst on the part of Henri Bourassa, now sitting as an Independent for Labelle:

... in the last two sessions we, the members of this house, opposed to divorce on principle, religious principle, social principle, or any principle or no principle at all, we have decreed that 434 couples, married before God and according to the laws of this country - unions which, according to our tenet, could not be dissolved but by death - should be divorced; and we think our conscience

is clear because the clerk of the house wrote on a piece of paper, "carried on division!" 35

The reasons for the continuation of such an archaic and unsatisfactory method of dissolving the bonds of marriage were several. The Roman Catholic Church did not want divorce courts established in Quebec and the French Canadian members of Parliament would not even vote for the establishment of such courts for Ontario as this would be a legal extension of divorce in Canada. In Ontario the Anglican Church was opposed to any such move, and that there were other strong opposing forces in the province as can be seen from the following extract from the Toronto Globe, which boasted "the largest morning circulation in Canada built without the aid of premiums":

Despite the support the measure has obtained and the fervid protestations from its sponsors that such a Provincial court would be of benefit to Ontario, most people in their hearts well know that it would have the opposite effect on the life of the Province.

A divorce court established in Ontario would be a retrograde step in the life of the Province. Its immediate result would be a weakening of the marriage tie, an increase in hasty and ill-considered unions, and a general lowering of the moral tone of the people. 36

That there was, however, a steadily rising tide of opinion within the province against the practice of divorce by legislation can be seen from another Globe editorial which took issue with those "Toronto ecclesiastical advocates of change [who] have reiterated their contention that there will be no increase in the number of divorces", and also with "some newspapers" who were advancing the same arguments.³⁷ The sentiment expressed in the Edmonton Journal was probably typical

of those provinces which had their own divorce courts and who viewed the procedure followed by Ontario and Quebec as an imposition and an added expense for the federal legislative process:

It is becoming increasingly difficult at Ottawa to handle all the divorce bills that are presented to parliament. Mr. Woodsworth contends that no attention to their merits is given by the house of commons and that they are passed in a perfunctory way.... An Alberta member, Mr. Gardiner, suggests that a bill be passed transferring the Ontario cases which constituted a large portion of the total to the courts of that province. This is clearly the remedy and despite the opposition that it is certain to encounter, it must ultimately be adopted. 38

The solution to the problem was, of course, legislative action. But in spite of the increasing discontent not only on the part of the public but also among various parliamentarians of all stripes,³⁹ Mackenzie King had no intention of taking any action, action that could only offend well-established, influential, and articulate forces in the community. The certain knowledge of just how opposed the Prime Minister and the political establishment of the Liberal party was to such a change is undoubtedly the reason why the Globe could view with such condescension and complacency the first serious attack on this particular portion of the status quo:

There is little likelihood that the House of Commons will be stampeded by the tactics of Mr. James S. Woodsworth into granting a divorce court for Ontario which the Winnipeg Labour member so ardently desires.... It is the fond hope of the Western Labourite that the Commons will be heartily sick of considering some 200 private bills and will ultimately let him have his way and his court. But the attitude of the House does not indicate any disposition to allow Mr. Woodsworth to have what he wants. 40

In 1928 Woodsworth and Irvine were given the opportunity

to pry open the heavy lid of precedent and political inertia that covered the whole scething question of divorce proceedings in Ontario by the timely appearance on the order paper of a bill "to provide in the province of Ontario for the dissolution and annulment of marriage."⁴¹ and which had been initiated by the restive Senate. Bill No. 27 had received first reading in February, and the problem, as the radicals saw it, was to persuade the Government to let the matter come up for second reading in order that the whole question could be properly aired and voted on. The Government, however, had no intention of disturbing that particular set of sleeping dogs, and would not consent to take up the bill; so Woodsworth and Irvine decided to apply pressure by imposing a blockade on the stream of divorce bills that were being funnelled through the House in the usual fashion.

They opened their attack on April 20 when Woodsworth refused the unanimous consent necessary to suspend the rules in order to permit the House to deal with the divorce bills in large blocks by merely reading out their numbers. He insisted that each bill be read and voted on individually. Once the chairman realized that there was no way of getting around the rules, the House started out bravely enough on Bill No. 74, for the relief of Dorothy Estelle McCutcheon. But it was soon bogged down by various interruptions. There was the semi-facetious objection by C. G. Power, the Liberal maverick from Quebec South: "I cannot tell what the facts are unless I read the evidence in French. I have been told that matters

of this kind appear much better in French than they do in English, and unless the evidence in this case is before us in French, I must make a formal objection to proceeding with the measure." Then there was the embarrassment caused by the absence of the sponsor, by a demand for more detailed information, and by an insistence on a section by section vote. All this produced long and desperate appeals to "my hon. friends to my left to allow these bills to pass in the usual orderly manner so that we may proceed with the business of parliament and not make a farce out of what is a most serious human tragedy." The net result of the debacle is ironically summed up by the phrase that was used in Hansard to terminate the hour-long debate: "Progress reported."⁴²

By April 24 the House had arrived at Bill No. 75, which was passed quickly, only to flounder into a long debate over Bill No. 76, which took up ten pages of Hansard. It was here that Irvine made the following direct offer to the Prime Minister:

I wish to draw the attention of the government -- and I am glad to notice that the Prime Minister is now in his seat -- to the fact that we have a bill now on the order paper which would place the Ontario cases in the hands of the courts, where they belong, and would dispense with the present absurdity. I desire to ask whether the Prime Minister will give us an opportunity to discuss this bill and, if parliament agrees, to make it law.... In the courts is the place for these things to be gone into, and I hope the Prime Minister will promise to give the courts a chance. If he will promise, as far as I am concerned I will undertake to let these bills go through without another word.⁴³

The Prime Minister, still having faith in his ability to control the situation, refused on the grounds that no preference

could be given to the order of any bill, and almost immediately witnessed the following results:

Mr. SPEAKER: Mr. Thorson moves, seconded by Mr. Goodison: That bills Nos. 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, being unopposed divorce bills which have been reported by the select standing committee on miscellaneous private bills be now read a third time, and that standing order 21 be suspended in relation thereto.

The motion must have unanimous consent.

Mr. IRVINE: I object.

Mr. SPEAKER: The motion stands.⁴⁴

And the House found itself back in committee to consider Bill No. 77, for the relief of Edith Duff McCoo, starting with Section 1 -- Marriage dissolved. And so it went on until April 27 when Woodsworth was able to move, while the House was dealing with private bills, the second reading of the Senate's bill.⁴⁵ The motion was not debatable, and was defeated by a vote of 21 to 53, but 17 Conservatives voted for the motion, including R. B. Bennett and H. H. Stevens.

So the radicals did manage to force a vote on the question of whether Ontario should have its own divorce courts, and, although it was not the formal sort of debate that they had wanted, many of the arguments had been presented during the interminable wrangling that had taken place over the private divorce bills. Immediately after the vote Woodsworth consented to the third reading of 78 private divorce bills and, outside the occasional flare-up, rather like the dying rumbles of a

passing summer storm, the House managed to get through the rest of its divorce bills without too much trouble.

The events of 1928 proved to be merely a preliminary scrimmage to the major contest which began in 1929. The year opened quietly enough, the Senate-sponsored bill, now No. 38, received first reading on February 21, and, the Government having learned its painful lesson, second reading took place the following day. Woodsworth opened his case with the humorous remark that the bill was

... a foundling left on my doorstep, but since I urged last year that it be given a chance to live, I could not refuse to adopt it this year. Little did I think the time would come when I would sponsor a bill for the relief of the senate, but I am very glad to urge the passage of this measure.

And he went on to make a brief but forceful speech in favour of the bill. Bourassa, who voted against the bill, proved to be his main support; arguing that although he was violently opposed to the principle of divorce, he considered it ridiculous for the House to pretend that by defeating such a bill it was upholding the sanctity of marriage, when at every session divorce bills were voted for by the bushel. He also pointed out that to be logical and to uphold the basic spirit of confederation the entire paragraph under Clause 91 of the British North America Act dealing with "marriage and divorce" should be wiped out and full and unabridged authority to deal with everything connected with marriage should be handed over to the provinces. However, after a full debate the bill was defeated by a vote of 99 to 68.⁴⁶

It was now that Woodsworth and Irvine set out to sabotage the workings of Parliament in order to force the acceptance of their point of view. They could not complain that the matter had not been given a fair hearing, as the Senate-sponsored bill had not been struck down twice by decisive majorities and, according to the Marquis of Queensbury Rules, they should have accepted the verdict gracefully. But true radicals are many things before they are gentlemen, and if the Liberal establishment thought that the problem had been decently buried by the democratic process, they were badly mistaken. When the first divorce bill of the season, Bill No. 85, for the relief of Effie Margaret Hill, reached the floor, legislative paralysis struck the House.

The technique of blockade was the same as the year before, only now they were in deadly earnest. Woodsworth, after presenting the standard arguments against the practice of granting divorce by legislation, stated that he intended to demand a roll call vote be taken on every individual divorce bill, thus forcing those members opposed to divorce to accept the responsibility for divorces not being granted.⁴⁷ Irvine made the point crystal clear when he announced that he intended to vote against every bill that came before the House:

...I am opposed to the absurd procedure which year after year is followed in this house. The absurdity cannot be made any more evident than it is at this time. If we were actually to take a vote on the approximately three hundred divorce bills which will be presented to the house this session, provided that the senate committee can hear that many cases, it would hold us here for several months. In order to dispose of them we put them through their various

stages like frozen corn is put through a chopping mill - we do not even take time to read the bills, we call them by number; and we do not even stand up to record our votes - we vote in silence.

In anticipation of the argument that the work of Parliament was divided between the two Houses, he declared, "No senate committee is going to think for me, even if it can do it better than I can myself." He next disposed of the argument that they were pressing upon Ontario something that the people of that province did not want by asking why they were continually granting these divorces if that were the case? He then served notice that

... hon. members whose constituents want divorce, and who make long platitudinous speeches about the honour and sanctity of the home, which they say I want to destroy by establishing a divorce court for Ontario, will not now be able to sit silent while their divorce bills are going through this house.

And he concluded by making it crystal clear that since he did not know the merits of any of the individual cases he would "vote against these divorce bills in the hope that ultimately these cases will be dealt with by a properly constituted court."⁴⁸

The effectiveness of the blockade can be seen from the fact that it took 19 pages of Hansard to record the debate on the first divorce bill, and, when the vote came it revealed, since members could no longer hide behind the Speaker's phrase "carried on division," a real split in the House. A.H. Heaps, most of the Conservatives, and most of the English-speaking Liberals voted to grant the divorce, while the radicals, the French Canadian members, and other assorted Roman Catholics

voted against the request. The second bill was held over when a snap call for question failed to carry, the third bill was also forced to stand when the sponsor refused, as a matter of principle, to outline the case, and the fourth bill carried by a decreased majority after 21 pages of recorded debate. By this time it was eleven o'clock, and the weary House adjourned after having spent nearly the whole day on four divorce bills, of which only two had passed second reading.⁴⁹

The next day it took the whole private members' hour to provide relief for Naomi Pauline Wilson, while on April 22, the simple case of a Calvert Mitchell Carruthers, a respectable surgeon seeking relief from his runaway wife who had found love and bigamy in Ohio, took two hours. But, by this time the Prime Minister had had enough. He knew when he was beaten, and he folded with good grace and with no show of rancour with the following remarks:

I can only appeal to the common sense of the house in this matter; the government must follow the rules of parliament and the government wish to uphold the rules. It might be possible for the remainder of the present session to allow bills to pass second reading and go to the committee as has been the case in the past, and for hon. members who wish to raise objections to particular bills, to raise those objections in the committee, it being understood that between now and next session the members of the government and other hon. members of the house will do what they can towards finding some means of freeing parliament from the necessity of continuing to deal with divorce bills along the lines which we have followed thus far. 50

This promise had an immediate effect and twenty bills received second reading stamped with the old familiar parliamentary brand, "motions for second readings agreed to on division."

On March 5, 1930, the Government having declined the opportunity of introducing its own bill, Woodsworth moved Bill No. 20, the old bill from previous years that had now passed the Senate three times. On March 7 he moved for second reading, which was not reached because of delaying tactics. The debate did reveal, however, that by now the Synod of the Anglican Diocese of Toronto was strongly in favour of the bill.⁵¹ On March 11 the Speaker, finding the moment opportune, held the vote three minutes after a motion for second reading was sprung on the unsuspecting House. The result was the defeat of the bill by a true vote of 79 to 78, but due to a clerical error, the Speaker declared the vote to be a tie and cast his own vote against the bill.⁵² The next day he had to reveal the mistake to the House and he then stated that since there was no tie, the vote ought to be invalidated.⁵³ Therefore, when Irvine moved that Bill No. 20 "be read a second time on Tuesday the 18th of March, instant," on the grounds that there was a great deal of dissatisfaction in the House and the country on the manner in which voting had been conducted on such an important matter, the bill was resuscitated by a vote of 104 to 87 much to the dismay of its opponents.⁵⁴

The next attack was sparked by the following amendment moved by Thomas McMillan, Liberal from South Huron, which served as a rallying flag for the beleaguered defenders of the sanctity of the home:

... instead of providing additional means of obtaining divorce the house would favour the encouragement and

carrying on of a campaign of education for the purpose of impressing upon the hearts and minds of the Canadian people the sacredness of the matrimonial ties and the permanent stability of the Canadian home. 55

The angry denunciations, the barrage of valid statistics and invalid conclusions, the predictions of moral decay, and the old charge that this was an attempt to encourage divorce were finally too much for Irvine. "One might as well argue that sun spots are responsible for the increase of divorce in Canada," he exploded, "as to argue that the increase is due to the fact that divorce applications are presented to the courts instead of to this parliament..." And he concluded his outburst with this sharp protest and threat:

The hon. gentleman who has just taken his seat (Mr. Spotton) bellowed forth that Ontario has not made any demands for a divorce court. Let me tell him that Alberta, Saskatchewan, and Manitoba and other provinces refuse to send their members down here to do the dirty work of Ontario. That is where the demand for such a divorce court is coming from. We are not going to do this job any longer, it is not our job. We are not sent down here to grant divorce bills for the people of Ontario... So far as I am concerned this is the last chance the house will have of dealing with this matter - and that is no threat either. If this bill is not passed... then we shall take every step to remove divorce bills entirely from Parliament, and let Ontario look after herself in that respect. 56

The prospect of another fight was just too much for the majority of the House to stomach, and after King tried unsuccessfully, in committee to get the radicals to agree to a clause that would make the establishment of the court dependent upon a request from the Ontario legislature,⁵⁷ the defeat of the MacMillan amendment by a vote of 108 to 85 signalled the turn of the tide.⁵⁸ George Spotton's failure to give the bill the six months hoist was accentuated by the immediate

second reading by a vote of 100 to 87.⁵⁹ At third reading, on May 6, an amendment to make the bill operative only upon the request of Ontario and a call for the three months hoist were both supported by the Prime Minister; but his actions were as ineffective as King Canute's, and the bill sailed through final reading by a vote of 100 to 85.⁶⁰

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FINANCIAL AND ECONOMIC REFORM

1. Background

Irvine was a man of very advanced and radical economic beliefs and few of his fellow reformers, not even Woodsworth, had his basic knowledge of economics nor his enthusiasm for the current theories of the day. He arrived in Parliament in 1922 with a tremendous background of reading and writing about economic matters and he was a constant and imaginative critic of the status quo. One has only to page through the issues of The Nutcracker, The Alberta Non-Partisan, and The Western Independent, the papers that he edited before his arrival at Ottawa, to see that his first love was economics and that he was basically an economic determinist in his belief that meaningful political and social reform must start at the level of economics.

Irvine, of course, did not develop his ideas in a vacuum, and undoubtedly the world's economic climate and more particularly, the plight of the prairie provinces was the spur that drove him to the belief that there surely must be a better way to run the economy than was the current practice. It was precisely because Irvine had a rational and inquiring mind, unhampered by any undue respect for tradition, precedence, or authority, that he refused to accept the world as given. The economic situation of the West affected nearly everyone adversely, but Irvine had enough insight to see that the economic condition of man is not the result of immutable laws

or of the stars, but rather that the fault lay in human cupidity, ignorance, and gullibility; defects that could and should be corrected by knowledge, logic, and science.

Immediately after the war there was a short but intense boom, with plenty of credit, a scramble for commodities, and a marked inflation, especially in consumer goods. By 1920 the peak was reached and then the price and credit structure collapsed suddenly. The contraction was swift and severe. By the low of 1922 wholesale prices were at 40 per cent of the peak period and unemployment among trade unionists had reached 16.5 per cent, only 9 per cent below the height of unemployment among this category of worker in 1933 during the worst days of the depression. There was also a drop in export prices of 26 per cent and the value of exports contracted more than a third during this same period.¹ There was, as a consequence, a great deal of disillusionment and unrest coupled with bitter feelings against "war profiteers," especially among the returned veterans. The national debt, increased by two hundred dollars per capita by the war, also weighed heavily upon the country. This was the general condition of Canada, but, as Paul Sharp points out:

On the top of this, the West carried a heavy debt that had accumulated in the decade of expansion before the war. The serious railway problem remained unsolved as the anticipated flood of immigrants failed to materialize, and the overexpanded systems were forced to rely upon the thinly scattered prairie population for revenue. The economy of the prairie provinces staggered under the burden of depressed agricultural prices, heavy fixed debt charges, and a high level of production costs....

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The agricultural depression, which had been foreshadowed as early as 1909 and had been greatly feared during the war years, struck in mid-1920, bringing widespread distress in its wake. Farmers on both sides of the forty-ninth parallel suffered short crops, ruinous prices, and high costs of production. Wheat quotations on the Winnipeg market plunged from \$2.78 a bushel for No. 1 Northern in September 1920 to \$1.79 in April 1921.... This price collapse was severe in itself, but since it was not accompanied by a similar drop in living costs, wages, freight rates, or interest charges, it worked a particular hardship in the agricultural community. Economic conditions in the hard spring wheat belt, as a result, were worse than they had been for thirty years. 2

Irvine, like most thoughtful men, went through various stages in the development of his economic belief. His early articles and editorials contain a great variety of radical ideas, mostly of a populist nature: the single tax, direct taxes on all unimproved land, sharply graduated income, inheritance, and corporation taxes, "True National Service" (which meant the conscription of corporation directors and officials for the duration of the war on a private's pay and the limiting of profits to a true 5 per cent), the abolition of tariffs, the conscription of wealth to pay the war debt, and so on. However, by the time he arrived in Ottawa his economic beliefs were matured and stabilized to a large degree, and certain themes appear that run like a continuous thread through his first parliamentary career and give a consistent cohesion to speeches and actions in dealing with the financial and economic problems.

Since Irvine was a complex and highly mobile thinker one has to be very careful about tagging him with a permanent label because of his gradual movement across the spectrum of

political and philosophical ideas. His spiritual side matured first, Christianity giving him the initial and critical momentum of his life and the "Social Gospel" leading him to a firm ethical and philosophical anchorage in Humanism. His political and economic ideas matured more slowly and when he first arrived in Parliament in the early 1920's he was still in gradual motion towards the left. At this time, however, he was, financially speaking, a mixture of Keynes and Douglas, a position that suited his political and philosophical ideas very well. He was, of course, very critical of the status quo but he still held that capitalism could be modified by voluntary reform, once science and reason had demonstrated the necessity and method of change; and he felt that once these major adjustments had been made, that the capitalist system could be a very suitable vehicle for man in his progress towards a just society. Above all else, he was a firm believer in the biblical injunction to "let your light so shine before men" and thus it was that in his first speech in the House he explained not only his political beliefs but also his financial analysis of the problems of society. This latter part of his speech is of special interest for it gives the observer an understanding of Irvine's financial theories and the guidelines along which he operated during his next thirteen years in Parliament.

He began by stating that production for money had, to a certain extent, replaced production for human needs, and that this substitution of a secondary aim was the basic cause

of the industrial chaos of the times. This fundamental defect showed up in the cycle of production and consumption in the area of financing and credit and thus prevented the other factors of production and consumption from functioning in a normal manner. He argued:

The present industrial plight...is not caused by a lack of demand; it is not caused by a lack of raw materials, or plant, or equipment, or people to work. What then is the cause: I assert that it is the credit system. The present credit system has failed, seemingly, in its proper function, which is to link together ... the needs of the people with the productive powers of the people.... 3

He then stated that although for the proper functioning of the cycle of production and consumption there should always be a sufficient amount of money available on the consumer side of the cycle to balance the amount of goods created by the production side, this necessary harmonious relationship rarely exists. Under the profit system the price of an article includes wages, salaries, dividends, depreciation, etc., and so the wage earners can never buy back all that they produce; and as a result, as the Dominion Statistician reported, Canadians were producing twice as much as they were permitted to consume. The obvious solution to the problem was to ensure that there was sufficient money in the hands of the consumers to balance the industrial output of the country. The greatest fault of the present Government was its inability to recognize that real credit is created by and should belong to society as a whole; a failure with the following unfortunate results:

... the banks today have a monopoly of the issuing of financial credits; and the credit is usually issued in the

interests of the shareholders and not for the benefit of the country. It is also issued with an adherence to the gold standard and not on a proper economic basis. The volume of credit is created and issued by the banks irrespective of demand or ability to produce. Thus we in Canada to-day are really at the mercy of Wall Street, whether we realize it or not. We are manipulated by them, from booms to slumps, at their convenience. 4

The Government must therefore shoulder its responsibility and reclaim its right to control financial credit for the welfare of society as a whole. This meant that there must be a regulation of prices according to the correct ration between production and consumption; and this could be done by reducing prices by the amount of capital expended in production, the amount of which would be made good to the capitalists by the issuing of government treasury notes. Thus prices could be reduced automatically without loss to any private enterprise while real credit, which depends upon two fundamental factors, the needs that are to be satisfied and the ability to produce, would be expanded or contracted as necessary by the periodic issuing of treasury notes. Inflation would be avoided by the simple expedient of controlling prices.

The advantages of this financial system were obvious to Irvine, who was not yet a doctrinaire socialist, for the following reasons:

Government ownership is a very difficult thing. It is yet to be tasted, and I have not very much faith in it whether in regard to railroads, or banks, or any other institutions. It may be a very good midway between individualistic control and any other form which might be in the process of development. Government ownership might not do any more than transfer control from an efficient autocratic corporation to a less efficient and possibly bureaucratic state organization. But, by a proper decentralized system of controlling credit...we

[could have]... a method which would combine the excellencies of individualism and of communism without involving the errors and weaknesses of either. 5

2. Amending the Bank Act

Armed with such an economic doctrine, it was only natural that Irvine should attack the large financial institutions of Canada, for it was precisely there, in the area of credit, that he felt the solution to the economic malaise of the country lay. He sounded the trumpet of financial reform in his first speech in the House, on March 29, 1922, when he suggested that the Government should appoint a representative committee composed of the major interested groups to examine all phases of financing and credit and to obtain expert advice on possible solutions "so that before the Bank Act is amended we may have the fullest possible information in our possession, - information which will enable us to solve the problem itself and so meet the pressing needs of the people."⁶ And in May, seeing that the Government was not inclined to follow his advice, he formally moved:

...that a representative Parliamentary Committee should be appointed to investigate the basis, the function and control of financial credit, and the relation of credit to the industrial problems. 7

In the brief time that the matter was before the House Irvine made a well-reasoned case for the necessity of such a committee; however, no one else spoke on the matter nor did it even come to a vote after the Prime Minister requested that it be permitted to stand until such time as the Minister of Finance should be present and ready to present his views.

Irvine might not have been so agreeable to the postponement if he had realized that the matter was not to get back on the floor again in that session.

The next year Irvine managed to get the question on the floor in late February; only this time he was more experienced, better prepared, and there was by now a considerable degree of support across the country for a critical and effective review of the Bank Act. He made a blistering, hour-long attack on the financial establishment; dealing mainly with the damaging effects of the depression and the failure of the present credit system. To illustrate the mindless acceptance by the public of the unnecessary depression he told the interesting parable of finding an Indian tribe sitting on the banks of a river beside a bountiful forest and of getting this reply to the question as to why they were starving:

"Oh, yes," says the chief, with tears in his eyes; "we have lots of fishing material and there are lots of fish; we have lots of ammunition and there is plenty of game; but, you know, we cannot fish and we cannot hunt because we have no money." We would promptly send that whole tribe to the asylum, but when we are sending that tribe to the asylum, let us all go with them, because we are doing precisely the same thing in Canada as that hypothetical tribe of Indians would be doing by taking such a stupid attitude as that.

He then went on to attack the whole borrowing policy of the Government as follows:

If we go to the United States and tell them that we are bankrupt as a nation, that we have no natural resources, no industries, and that we are all dying, how much would we be able to borrow? Nothing! We can only borrow from the United States because we already have the credit which merits the loan which we solicit.... I want an investigation to show how it is that we are forced to go into a foreign

country to borrow money, why we cannot use our own credit and escape the burden of interest and at the same time increase the people's purchasing power and start all the industries of Canada?

He bolstered his presentation by calling attention to the widespread support for just such an investigation that existed across the country among organized labour and the farmers, and as added emphasis he made specific reference to a fairly strong resolution of the Liberal Association of Vancouver calling for certain investigations and changes in the banking system. He ended by urging the adoption of his resolution "in order that we may get the information that is so badly needed and that is so necessary before we can deal properly with any present or proposed banking legislation."⁸

Other speakers then joined the debate: Henry Spencer, Progressive from Battle River; Alfred Spcakman, Progressive from Red Deer; and E. J. Garland, Independent from Bow River; all helped make a strong case for a cause so dear to the heart of the true prairie radical. The result was that on the advice of W. S. Fielding, that most orthodox Minister of Finance, and with the approval of Sir Henry Drayton, Minister of Finance of the previous government, the motion was so amended that the investigation was to be carried out by the Standing Committee on Banking and Commerce and was passed.⁹ And thus it was that the cat was let into the dovecote of financial orthodoxy.

The Fourteenth Parliament had been fortunate enough to escape that Gilbert and Sullivan-esque situation, so beloved

by newspaper editors and political pundits, of being composed only of Liberals and Conservatives; and as a result its standing committees were well salted with a sprinkling of radicals and non-conformist thinkers who were unaware of the fact that they lived in the best of all possible worlds. The Banking and Commerce Committee was no exception and it contained a small group who viewed the financial establishment with a jaundiced eye. They were a mixed bag: the most important being Alfred Speakman, Henry Spencer, Thomas Bird, George Coote, and Agnes Macphail, Progressives; Joseph Shaw, Irvine's fellow member from Calgary, and W. C. Good, author of Production and Taxation in Canada, who were Independents; Leon Ladner, the Liberal-Conservative from Vancouver South who introduced a resolution on the advisability of a central banking system; and the two Labour members, Irvine and Woodsworth. Although the committee was one of the larger ones, having a total membership of 89, yet the quorum was set at a reasonable 21, and under such conditions the reformers only had to be diligent and attentive in order to make a major impact.

The Committee, which began its sittings on March 8, was faced with two main tasks; the decennial revision of the Bank Act and the investigation called for by Irvine's resolution. The reports of the sittings cover some 1,036 pages in the Journals of the House of Commons; most of the time being spent on the question of credit. Unfortunately, for they make very interesting reading, the minutes are beyond the immediate scope of this study; however, the following passage by W.L. Morton,

even though it over-emphasizes the role of the "U.F.A. members" (Speakman, Spencer, and Cootes), gives an excellent overview of the proceedings and their impact on Parliament and the public.

The U.F.A. members made special exertions to bring before it critics of orthodox finance, notably George Bevington, Neal East, another Albertan reformer, Major C.H. Douglas, and Professor Irving Fisher.... Major Douglas and Professor Fisher also set out their heterodox views. Off-setting these, a number of bankers and economists were heard, Sir Frederick Williams-Taylor, Sir John Aird, Sir Edmund Walker, and Professor Adam Shortt. It was an inquiry of note, such as parliamentary committees too rarely conduct. By means of it, the U.F.A. members succeeded in bringing to the notice of parliament and public two concepts, then novel, but since generally accepted: one was that credit could be controlled by banking policy and ought to be controlled by a national agency; the other was, though this was largely developed by the same efforts before the Select Committee on Agricultural Conditions, that the existing Canadian banking system was not fitted to supply the kind of credit the needs of agriculture required. 10

In his biography of Woodsworth, Kenneth McNaught gives the following estimation of the importance and the effects of the work of the committee:

It was the beginning of a long campaign to educate Parliament and the public in this complex field, a campaign which eventually produced Bennett's Bank of Canada and, in 1937, the King act giving full government ownership of the Central Bank. This key instrument of economic control is one of the greatest achievements of the long and consistent pressure from the political Left on the federal Liberal party. While the financial theories of the Left ran through the spectrum from funny-money social credit to sober proposals for farm credits, their common denominator was both sensible and progressive; certainly they threw into stark relief the archaic and obscure doctrines of the bankers' government. 11

Although the radicals had a field day in the Committee baiting the respectable bears of orthodox finance, they knew that it was in the House where they had to win. The immediate

problem that had to be faced was the decennial revision of the Bank Act, the revised version of which was presented to the House by the Minister of Finance on July 2. W. S. Fielding, the converted separatist, "who had entered the 1897 Laurier government to help Sir Wilfrid transform the Liberals into a protectionist party of big business,"¹² was an impatient midwife; and the fact that the Committee on Banking and Commerce had not completed its study did not deter him at all in his revisions of what he felt was on the whole a very adequate act. The obvious counter move was to play for time, and an amendment calling for a one year delay in the revision of the Act was moved by Alfred Speakman and seconded by Robert Forke as soon as the House went into committee. In spite of a multitude of excellent reasons for postponement, ranging from just such a request on the part of Alberta and Manitoba, to the fact that even the bankers had reluctantly admitted the possibility of real improvements in the Act, there was no way to get the Minister to change his course. He pooh-poohed the objections of the reformers as not being very well sustained, and affirmed:

I am largely of the opinion that one good crop in the West - let us pray Heaven that it comes this year - will remove very much of the irritation that exists among our western friends. At all events, after the discussion before the Banking Committee, after the publication of the evidence - for every word was printed and is available, the newspapers have printed it very largely and the whole question has been thrashed out in the light of public opinion - I believe that to-day the people of Canada are fully informed of all the essential questions involved in this present motion. 13

This prompted a bitter complaint from Irvine:

The evidence taken before the committee ... in relation to the bill under discussion has not been considered by that committee. I presumed that the evidence was taken in view to amending the Bank Act, but I discover now it was merely taken as a gesture, seemingly to appease the public. But let me assure the public that whether the evidence was of value or not, it has had no effect whatsoever upon the revision of the Bank Act, indeed, it has not been considered at all in that connection. 14

The comment had no real effect upon the House and the Speakman amendment was lost by a vote of 27 to 65.

The revised bill was rammed through the Committee of the Whole backed by a solid phalanx of Liberals and Conservatives. All amendments, such as Woodsworth's request that bank employees be permitted to organize and for a government auditor; Coote's call for tighter audit procedures and for the issuing of government bank notes; and Shaw's attempt to limit the interest rate were all defeated. The climax was reached on third reading when the reformers were repelled in six divisions.¹⁵ Thus the financial establishment, loyally supported by the old line parties in the House, survived the assault of the economically disenchanted whom they soundly trounced and scornfully dismissed as "cranks", "faddists", and "paper money men."

Exactly twenty-eight days later the smug serenity of the financial world was shattered by the collapse of the Home Bank. The loss of the savings of some 60,000 depositors, with its attendant distress and ruin, was a fitting comment on the financial acumen and legislative foresight of the Liberal

and Conservative majorities in the House and a devastating exposé of the real workings of the Canadian banking system. The seriousness of the collapse is overshadowed by its very magnitude; and so it is by looking at a small part of the whole disaster that one can best appreciate the depth of the tragedy. Blairmore, Alberta, will serve as well as any small town of the period to demonstrate what it was like to be graced with the presence of a branch of the Home Bank. Approximately five hundred accounts lost an aggregate amount of \$190,000. Fifty of the accounts belonged to school children, one hundred and ninety were held by working girls and married women, ten widows were left destitute, two hundred and fifty miners lost all their life's savings, and the School Board lost the sum of \$10,000 which jeopardized the operation of its schools.¹⁶

Parliament bore a share of the responsibility for it had, in spite of strong evidence and clearly reasoned argument, affirmed, in its collective wisdom, its steadfast faith "in the best banking system in the world." By its approval of the Bank Act it had guaranteed to the public the financial soundness and the integrity of the banking system for the next ten years. There was no way that the Government nor Parliament could avoid the results of having reviewed rather than having revised the Bank Act; and the public was quick to lay the blame where it belonged, on the doorstep of the House. The Vancouver Sun, under the caption, "The Canadian Banking System Has Collapsed," editorialized:

When we say this we mean it. We do not mean that the Canadian banks have collapsed but that their system has. The system of one man management; the system of public audit instead of government inspection; and the system which pays only three per cent on deposits and gives no guarantee; we repeat this system has utterly failed to sustain Canadian business and to maintain Canadian confidence. 17

And, as this later editorial in the Manitoba Free Press shows, the public had not forgotten the great debate over the Bank Act of the previous session:

Those who advocated the change were dreamers, theorists, visionaries, radicals, cranks, faddists; it is not probable that they escaped being called Bolsheviks by the defenders of the existing system. Yet the bankers and the elder statesmen who took their advice as the last word in practical wisdom were wrong; the faddists were right, as is now admitted. 18

Faced with this tragic and convincing demonstration of the futility of its legislation the only recourse the Government had was to brazenly out-stare the disaster. One cannot help admiring a Prime Minister who, faced with the resounding failure of the Bank Act to perform its primary function, could have the Governor General boast:

The amendments made to the Bank Act in the last decennial revision of the last session provided better guarantees for the public in banking operations; their wisdom has already been abundantly apparent.

and then to continue in the next sentence, with no apparent sense of the contradiction:

The depositors in the Home Bank have asked that they should be recouped the amount of their losses, and in their petition made representations which my advisers regard as so important as to warrant full investigation. To that end a commission has been appointed to inquire fully into the allegations made by these petitioners. 19

That, to a man of King's opportunistic turn of mind, everything was

gist to his political mill, is clearly shown by the terms of reference that were given to the royal commission that was set up early in March:

It [was] to decide...what representations, if any, were made to the ministers of finance in 1915, 1916, and 1918 Next, whether such recommendations by the directors of the bank warranted any action on the part of those then holding the office of minister of finance...whether the ministers of finance took any action, and if so what action did they take...what would have been the probable results had such action been taken in the said years, 1915, 1916, and 1918, and so forth....to find out what was the financial position of the bank at that time and whether the institution could have been saved by some action of the government of the day. 20

However slow the Conservatives were in understanding the true nature of the operations of Canadian finance, they were not stupid enough to stand still and let the sanctimonious King hang the Home Bank albatross around their necks. Immediately the fight began to enlarge the terms of reference so as to include the Liberal term of office; and finally, on March 17, after repeated prodding and questioning, the Government was forced to extend the period of investigation right up to the time of the collapse, and also, in view of widespread allegations that some deposits were "withdrawn by various depositors, under conditions which might require explanation, the Committee of the Privy further advise that the attention of the Commissioner be especially directed to this feature in the course of his investigation."²¹ This extension was a strategic victory for the Conservatives, for an ugly story was going around Ottawa that James Murdock, Minister of Labour, having access to privileged information, had withdrawn several thousands of dollars

from the Home Bank just a couple of days before its collapse; it was hoped that this scandal would help to minimize the expected charge that Sir Thomas White, former Minister of Finance in the Borden Government, had not only failed to act on information that he had received in 1916 as to the perilous state of the Home Bank but had also neglected to pass on this information to his successor.

It was at this sterile impasse, faced with the prospect of a long inquiry aimed at discovering the useless knowledge as to which party was the most guilty of malpractice or neglect, that Irvine pondered how best to divert the ball from the barren field of party politics and re-direct it along the lines of financial reform. He decided to seize the initiative, which he did on March 27, when he moved:

... a parliamentary committee should be appointed immediately to investigate the Home Bank failure, with a view to discovering any weaknesses in the Bank Act which may be amended to prevent a similar occurrence; to devise some means of protecting depositors generally; and to make recommendations as to the possibility of saving the Home Bank depositors from loss. 22

He spoke for about an hour, making one of the most effective speeches of his parliamentary career; his approach and delivery were moderate, his illustrations were devastating, and his logic was flawless as he led the House, step by step, to the inescapable conclusion that it must revive the Bank Act, so lately and so serenely put to rest in its decennial cocoon, and carry out the amendments necessary to prevent such a catastrophe from ever happening again.

He began by stating that although he hoped and

expected to see a better system of financing come into effect, the immediate problem was one of technique rather than of fundamentals: "I want to see the system that is in vogue working as efficiently as it is possible for it to work while we are using it." He then went on to elaborate. The passage of the Bank Act in the last session had undoubtedly created the impression, along with a great deal of help from the Bankers' Association "that the banking system of Canada was on a very sound basis, that there was not a chance of depositors suffering any loss whatsoever." However, the events of the past few months had demonstrated that there was ample cause for the state of public panic that existed in relation to banks: the recent write-off by two prominent banks of millions of dollars due to speculative activities, the absorption of the Bank of Hamilton by the Bank of Commerce in order to avoid bankruptcy, the bare survival of La Banque Nationale because of a fortunate injection of \$15,000,000 of public funds by the province of Quebec, and of course, that crowning calamity, the failure of the Home Bank. All this had shattered the public confidence and the question was how it was to be restored. This could be done, as some had suggested, by a careful selection of one's bank by a study of available evidence for

... I have here the last report of the Bank of Montreal. It is an excellent report. I have also the report of the Canadian Bank of Commerce, another excellent report. But I have also before me the last report of the Home Bank of Canada, which is also an excellent report. Now what assurance have I, or what assurance has any person in Canada, that there is any more ground for confidence in these other reports than there was for confidence in this report of the Home Bank?

Nor could it be achieved by reading the pamphlet, The Bank Act, which had been prepared by the Bankers' Association in anticipation of just such a discussion in order to persuade the members of Parliament that any further changes to the Act were unnecessary. The Association's boast that "no one can candidly survey the business mortality in 1920 and 1922 without reaching the conclusion that the bankers of Canada have marvelously well weathered the storm and conclusively demonstrated the soundness of the system under which they operate and the general prudence and skill of management," was completely demolished. The claim that the Bank of Hamilton, in merging with the Bank of Commerce, was merely following "a long line of precedents that are numerous in Britain," was compared to an incompetent doctor telling an outraged family, after the death of one of their members by smallpox, "This is following a long line of precedents very numerous in the Philippine Islands." The Association's contention that there was no need for a government auditor, that a system of guaranteed deposits would downgrade the virtue of prudence and might turn cautious bankers into gamblers, that deposits were already sufficiently guaranteed to the extent that they were fourth mortgages, were subjected each in turn to his relentless logic and stripped to their essential folly by his sardonic wit. The solution to the crisis was obvious, the future could only be ensured by a restoration of public confidence and

...public confidence cannot be restored by words from

anybody, public confidence can only be restored by action; and the first act is to reimburse the 60,000 depositors who lost their money in the Home Bank failure. For I can assure this House that those depositors, with their families and friends numbering at least 300,000, a considerable percentage of the population are not going to be lulled into quietness by assurances that this thing will not occur again.

As to the royal commission, it was specifically instructed not to find remedies or to propose solutions, for:

According to the commission given by the Privy Council, the royal commission, to put it briefly, is to find some goat upon which to place the responsibility for the Home Bank failure. Now, a parliamentary committee would not be looking for a goat, it would be looking towards the amending of the Bank Act and towards reimbursing the Home Bank depositors.

The climax came as follows:

This is the time, this is the moment for action, and I submit that the way of the royal commission is the way of death to the hopes of Home Bank depositors if we are not very careful. On the other hand, the parliamentary committee would get action immediately on the points that are of immediate interest. It need not necessarily clash with the investigation which the commission is to make...Of course we want to know if our public men have been culpably negligent, because it would serve us in good stead during an election, it would give us material for speeches; it would be "good stuff," -- so to speak -- we want that; but more than that, we want reimbursement of the Home Bank depositors; and more than that, we want the Bank Act so amended as to make this thing impossible in the future.

23

A measure of the effectiveness of his speech was the fact that during the six and one-half hour debate that followed, mostly a wrangle between the Liberals and the Conservatives over the alleged negligence of Sir Thomas White, only Sir Henry Drayton made an attack on Irvine's speech; beyond that, not one of the twenty or so speakers came to the defence of the banking system or the Bankers' Association, an amazing achievement for a man who less than a year before was generally

viewed by the Establishment as "a Bolshevik financier who wanted to start a paper mill down in Ottawa." It is true that Irvine's motion did not pass in its original form; for it was amended by F. S. Cahill, an Ontario Liberal, to the following effect:

... the Select Standing Committee on Banking and Commerce should be instructed to consider the provisions of the Bank Act, with a view to recommending such amendments to the act as will better protect the interests of the depositors generally and will prevent similar occurrences in the future; and also to consider the report of the royal commission in its bearing upon these matters and with respect to the possibility of saving the Home Bank depositors from loss. 24

As can be seen, however, the substance of Irvine's motion was unaltered and the amendment was carried by a resounding majority of 133 to 27 in a House that less than a year before was certain it had seen the last of the Bank Act for a decade.

Remedial legislation was not long in forthcoming.

On June 23 J. A. Robb, the Acting Minister of Finance, moved an amendment to the Bank Act that provided for the appointment of an Inspector General of Banks and which gave him the power to inspect any bank, head office or branch, at his discretion and to make a thorough examination of all its affairs, and to add to the indignity, his costs were to be recouped by an assessment levied on the banks yearly.²⁵ In spite of the outraged protest of Sir Henry Drayton against the appointment "in the banking world of a sort of Judge Landis, who will have the right to pass upon the deliberations of the directors and those who have to do with the extending of credit," the amendment was carried with no great opposition.

By this time the Committee on Banking and Commerce had discovered that the Bank Circulation Redemption Fund did not work as an insurance fund as most of them had assumed; rather a bank that had failed could only take out of the fund what it had put in in order to redeem its bank notes which had first claim on its assets. In the case of the Home Bank there had been about \$2,000,000 of its bank notes in circulation at the time of bankruptcy but as it had only \$100,000 in the fund to fall back on, the depositors, holding only a fourth mortgage, had to make up the difference. Incidentally, when liquidation was finally completed these same depositors received only about 35 per cent from the bank's assets, this figure further being augmented by another 35 per cent provided under the Home Bank Depositors Relief Bill which cost the taxpayers \$5,454,000.²⁶ The reformers proposed that the fund be changed into an insurance fund so that depositors would not have to make good a bank's paper, and that the banks carry the full cost of this added protection in return for the special privilege they had of being able to print legal currency at a tariff of only one per cent and of loaning it out at a lucrative seven or eight per cent.²⁷ However, this amendment was lost, mainly on the grounds that

...it is little better than immoral to suggest that, by compulsion, by legislation, a solvent bank, without having a single word to say about the management of a bank which goes into liquidation, without having had anything to say as to the reasons that may have put it into the slough of despondency and insolvency, should pay the debts of an insolvent bank. 28

Although amendments such as these were just too advanced for the times, Irvine and his fellow "cranks" did prepare the ground for such "radical" innovations as the federal government printing and issuing all bank notes, setting rates of interest, and insuring deposits. Yet the most important and immediate result of Irvine's initiative was the introduction of a rigid system of government audits and a strict supervision of banking procedures by the Inspector General. The vital significance of even this one major step towards a more rational system of banking can best be appreciated if one is aware of the fact that within the first three years of the Depression over 4000 American banks had failed with a loss to the depositors of over two and three-quarter billion dollars²⁹ whereas the Home Bank was the last failure in Canada. One wonders had the members of the Bankers' Association, while boasting of their coming through the Great Depression unscathed, ever reflected upon the fact that they had done everything in their power to make such a proud record impossible.

3. The Central Bank

Amending the Bank Act was all good and well, but if one believed that the financial credit of the nation should be controlled for social purposes then the obvious first step towards that goal was the establishment of a central bank. The idea of a central bank was not new, having already gained such world wide support that the International Financial Conference that met in Brussels in 1920 passed a resolution to

the effect that "in countries where there is no Central Bank of Issue one should be established."³⁰ In Canada, however, there was strong opposition to the idea on the part of the Bankers' Association and the financial establishment, and periodic "official" statements were released warning against any such move.

They objected to such a bank on the grounds that it would be dangerous to disturb the present banking system with its proven efficiency, security, and stability; that there is grave doubt as to the efficacy of central banks generally; that there would be danger from the political factor; that in a country like Canada, which is a debtor country and has no money market, a central bank could not create any more credit than already exists; that the cost would be burdensome; that in any case we have in the Finance Act all that is needed in the way of central banking machinery. 31

It was only natural, therefore, that when the Standing Committee on Banking and Commerce undertook the investigation called for by Irvine's resolution of 1923 that the matter of a central bank should come up for study; and the subject was first broached when L. J. Lardner, the reforming Liberal member from Vancouver South, submitted a memorandum on a federal reserve system. The matter was dropped, however, after testimony by Sir John Aird and Sir Frederick Williams-Taylor, Canadian banking authorities, that such a step was unnecessary or at the best premature. Their case was further strengthened by the expert testimony of Mr. Pole, the Chief National Bank Examiner of the United States, who stated that while the federal reserve system was admirably adapted to the American unit system of banking "for a very small number of banks with a large number of branches to attempt to adjust

themselves so as to fit into such a scheme would appear to be highly impracticable."³² But the failure of the Home Bank and the new set of instructions to the Committee resulting from Irvine's second initiative started the pot boiling again. After the chairman, Thomas Vien, ruled such an investigation out of order, the radicals, by means of a snap vote, only 29 of the 89 members being present, carried the day and the Committee's Sixth Report to the House read as follows:

Your committee recommend that the order of reference be enlarged so as to embrace the study and consideration of the purpose, organization and operation of some type of properly administered central or reserve bank. 33

There followed a rather bitter debate of seven hours duration in which all sides of the question were argued and a great deal of factual information of varying degrees of relevancy was presented. Eventually Irvine got the floor and while he did not introduce any new information, he did make some rather interesting observations in the course of supporting the motion. His opening remarks show that he was aware that all was not well back in Calgary East:

The political life of hon. members is very uncertain indeed. It is perhaps more uncertain for me than for anybody else. I can look to the future somewhat and see the time when the question which has been debated tonight will be considered the pivotal question in the political discussions of this country; and I want to be able to turn up the old Hansards when I am not here and say, "Thank God I had enough intelligence to take part on the right side of the issue."

He then made this perceptive observation as to how radical ideas and new concepts were spreading through society and making their impact even on those who opposed them:

This is an epoch-making occasion in the Canadian parliament in that the debate itself is evidence that it is dawning on the mind of our time that finance has something to do with industry and commerce, something to do with the standard of living of the people, something to do with poverty, something to do with the millionaires, and something to do with every question that touches the economic and commercial life of a nation. It is an evidence that the old political shibboleth has served its day in Canada, and that other questions much more fundamental and much more scientific will be substituted for it and engage the attention of the thinking public. 34

Yet that is all the debate proved to be, an educational exercise; for there was no way that the supporters of the motion could overcome the objections raised by Mr. Vien, who concluded his presentation of the Committee's report by calling for a vote of non-concurrence on the grounds that it would mean "a loss of time for the House as well as a loss of time for the committee; it would be a useless expenditure of money to call witnesses and adduce evidence with a view to obtaining information; and it would be utterly undesirable that the fundamental principles of our banking system should be changed before the next decennial revision."³⁵

By 1927 the economic situation in Canada appeared to have stabilized: the post-war doldrums were left far behind, and although neither the Maritimes nor the prairies shared as fully as the rest of the nation in this bounty, all evidence seemed to indicate a steadily rising prosperity. The annual forecasts of the bankers illustrate as well as anything the optimistic and buoyant mood of the financial establishment. Mackenzie King's biographer writes:

"We have definitely emerged from the discouraging conditions of the post-war period," was Sir Herbert Holt's careful

appraisal in his annual report as President of the Royal Bank of Canada in 1926. In succeeding years the restraint was less apparent. Sir Herbert concluded in his next report that "at no time in the past has the outlook been more favourable than at the present for the prolonged prosperity of Canada." A year later he was boasting that it "was no exaggeration to summarize the general situation by saying that there is no other part of the world more prosperous than Canada." As another banker assured his stockholders in 1929, "a virile policy, continuously stimulated by the visions of courageous foresight, but held in check by the dictates of sound judgement, will guide the course of this expansion so that stable prosperity will become a permanent phase of Canadian economic life." 36

It was into this contented atmosphere, in a House surrounded on every side by evidence of the vitality of free enterprise, that early in the session of 1928 Woodsworth flung this quixotic challenge:

That, in the opinion of this house, the time has come for the establishment of a national system of banking. 37

He started out bravely enough on a long three-quarters of an hour speech in which he demonstrated in detail the high degree of interlocking between the directorships of corporations and banks using as his example Sir Herbert Holt, who was involved in the directorships of 135 corporations while at the same time being the president of the Royal Bank. He warned that Canada was rapidly approaching the situation where a few men, by serving on the boards of the large banks and by sitting as directors of the larger companies, could control the whole deposited funds of the Canadian people; and, by deciding on the availability of credit, could determine the success of any individual business enterprise or even manipulate the business cycle of the nation to their advantage.³⁸ Although the debate stretched out for another two and one-half hours, there was

little interest, as could be seen from the many empty seats among the Liberal and Conservative benches, and one gets the impression that even the moderate attitude taken by the Minister of Finance resulted more from boredom than from any new found tolerance for the Left.

Towards the end of the debate after every last drop had been wrung out of the motion by Woodsworth and his supporters, Irvine rose and amended the resolution to read:

... the time has come for the consideration of the improvement of our banking system, and that the banking and commerce committee be instructed to study possible improvements and report thereon. 39

Thus he carefully saved what he could of the baby while pouring out the bath, for it was certain that the original motion would be lost and that even a move to refer the matter of a central bank to the Committee would not have gained approval; but who would vote against anything as vague as "improvement?" In doing so, however, Irvine made some very revealing comments that show that he was not a fully-developed socialist:

... I have never at any time thought that the mere nationalization of anything would cure it... I do not think that the question is so much who is carrying on the banking; the question is rather what is being done. I do not make a plea now for the nationalization of the system. I make a plea for service from the system. I want to see that system functioning in its proper relationship to the economic demands of the nation. I do not care if it is done by a private bank or by a national bank. I do not even care if our bankers make some profits out of the transaction. The great trouble does not lie in the profits they make; it lies in their control of a necessity of our economic life, and a control which is not always an intelligent one.

The real problem, as he explained, was that although the bankers understood the techniques of finance they did not, even

by their own admission, understand its economic significance and as a result "they retard credit at times when credit ought to be released and they release credit at the very moment when it ought to be retarded," thus accentuating the fluctuations of the business cycle rather than counteracting those extremes. In the final analysis the basic defect of the present system lay not so much in the fact that a small group of wealthy men controlled the economy but rather that no one was in control at all. For as he pointed out:

... if both the treasury board and the bankers' association refuse to accept responsibility either for inflation or deflation, then I must conclude ... that there is not any agency controlling the financial system of Canada, and I say it is control that we want. We are not asking that any institution shall let loose too much credit, or too little credit. We believe this is a mathematical problem, that the data necessary to arrive at a correct conclusion is not beyond the possibility of human intelligence to get, and that if it is within the grasp of human intelligence, that then the dread conditions which have followed both inflation and deflation ought to be stopped, and this parliament ought to accept the responsibility for stopping it. 40

Although the amended resolution did initiate another inquiry, the Seventh Report of the Committee shows that times were far too good for the majority to find very much wrong with the system. All recommendations that involved a change in the Bank Act were declared to be beyond the terms of reference; experts from outside the country were not called, businessmen who had complained privately about the shortage of credit refused to testify for fear of having their credit endangered, the banking authorities who did testify saw no need for change, and the crucial matter of the relation between

prices and credit was barely touched on.⁴¹

The question came up again in May 1931 when G.G. Goote, U.F.A. from Macleod, moved "that there should be established in Canada a nationally-owned central bank."⁴² The economic climate was no longer such as to fill the House with confidence as to the efficiency of the Smithsonian financial system and the long debate revealed some interesting signs that even among the Establishment the old self-assurance was slipping; however, as can be seen from the following exchange, it was not always being replaced by economic enlightenment:

Mr. IRVINE: May I ask a question?

Mr. GEARY: Yes, but it will probably be a hard one.

Mr. IRVINE: Does my hon. friend think there is a relation between the volume of credit in circulation at any time and the price level at such time?

Mr. GEARY: No.

Mr. IRVINE: There is no relation?

Mr. GEARY: No.

Mr. IRVINE: Well then, there is no need of a bank of this kind. 43

George Reginald Geary, listed in the Parliamentary Guide as Lieut. Colonel, K.C., O.B.E., M.C.; United Empire Loyalist family; Bencher of the Law Society of Upper Canada; former school trustee, alderman, and Mayor; and belonging to the following clubs: York, Albany, University, Toronto Skating, Toronto Cricket, Toronto Gulf, Toronto Hunt, Eglinton Hunt;⁴⁴ was a perfect example of what the Eastern Establishment looked for in an ideal member of Parliament: blood lines rather than brains.

Prime Minister Bennett was not quite as direct, for although he defended the financial establishment very handsomely, he nevertheless admitted that it might be advisable to initiate such a change in the far future. As a matter of fact he became quite lyrical over the thought of change, especially when he felt it was at least fifty years away:

... in the very nature of things a Conservative does not believe in change for the sake of change, nor does he believe that it is essential to make a change merely because you may alter a name. I think most of us believe with Tennyson:

That man's the true conservative
Who lops the moulder'd branch away.

... I ask my hon. friend not to press his motion to a vote at this time because this country is not prepared to make the change that his motion involves.... But I assure my hon. friend that I am sufficiently alive to human progress to realize that the time may come, and if when it comes, we are here, as we probably shall be half a century hence, that action will be taken. (*Italics mine*) 45

Poetry or no poetry, Clio's timetable ran a bit faster than Bennett expected, and his generous half century shrivelled under the harsh depression sun to a mere three years. By 1933 the Liberals had seen the light, as the following extract from one of Mackenzie King's speeches shows:

Liberalism believes that credit is a public matter, not of interest to bankers only, but of direct concern to the average citizen. It stands for the immediate establishment of a properly constituted national central bank, to perform the functions of rediscount, and the control of currency issue, considered in terms of public need. A central bank is necessary to determine the supply of currency in relation to the domestic, social and industrial requirements of the Canadian people; and also to deal with the problems of international commerce and exchange. 46

And by 1934 it had become apparent even to the lyrical Conservative

Prime Minister that the time had come "to lop the mouldr'd branch" of laissez-faire financing, and on February 22 a motion was made by the Minister of Finance "to introduce a measure to incorporate a central bank in Canada."⁴⁷

In presenting the resolution, Mr. Rhodes stated that he did not regard this move "as a break with the past; we are not departing from the system which has served us so well... the central bank should be regarded as another stage in the natural evolution of our banking system." Yet the facts speak for themselves! The functions of the bank were: to issue all currency, to control all gold, to change from a gold species to a gold bullion basis, to regulate internal credit, to regulate foreign exchange, to mitigate fluctuations in the level of production, trade, employment, and prices "as far as may be possible within the scope of monetary action," and to give expert and impartial financial advice to the government of the day. Clearly these were radical innovations, many of which had been soundly and repeatedly condemned by the Establishment since 1923. Public ownership was, however, too much for a Tory government to swallow, public interest was as far as it was prepared to go; ownership had to remain in private hands. Still, the Cabinet did keep in mind that the bank was being set up to meet a public need and so it determined that:

Dividends to shareholders may not exceed six per cent. Profits in excess of this and after reasonable provision has been made for reserve and other purposes are to be paid into the consolidated fund. Thus it is to be noted that, although private ownership is contemplated, the bank is not to be a "profit making" institution. This feature sharply distinguishes the bank from the ordinary business

or commercial enterprise and is designed to enable the bank to pursue its legitimate ends, unhampered on the one hand by the urge to make profits and on the other by undue political interference. 48

At the same time a determined effort was made to avoid the bugbear of all free enterprisers, direct government interference and control, and matters were so arranged that "the bank should not be subject to dictation by government, for at times the exigencies of public finance might not be wholly in harmony with banking policies that might be considered wise and essential in the general public interest."⁴⁹ It was expected that by such judicious blending there would emerge "a workable organization combining the advantages of private ownership with adequate protection of the public interest."⁵⁰

It wasn't until two weeks later that Irvine got his teeth into the bill with one of the most scathing attacks the House had seen for a long time. He opened gently enough, stating that "judging the central bank solely as a private institution, the government has presented us with a most excellent bill. I think it is revolutionary in one or two of its aspects. For instance I doubt whether there has ever been in the history of Canada a banking bill presented to parliament which was more against what the present bankers want." And he complimented the Government "on the distance it has gone." But, after listing the tremendous influence and control that the Bank would have on the economy of the country and emphasizing the fact that the Minister had clearly spelled out that in the case of a clash between the government and the Bank of

Canada that the latter should prevail, he came to the heart of the matter as follows:

I am at a great loss to know why the government should have gone to such great pains to try to take power away from the hands of the present bankers and then to deliberately put it in the hands of a private corporation to be created by this bill.... It is unthinkable that such tremendous powers having such far-reaching effects upon the social, business, political and economic life of this country should be placed in the hands of a private institution."

After dwelling upon the fact that "the private bankers of the world have made the greatest mess of the world's history," he went on to expose some of the obvious falacies in the Conservative belief that private bankers would be less influenced by political pressures and make better guardians of the public weal than Parliament.

Let us ask by what magic officials of private corporations supposedly become wiser and more virtuous as public servants than men and women who have been elected by the public and charged with the specific duty of giving the public service? In what is that extra wisdom or virtue to be found? Does it lie in the mere buying of a share of stock? Is it to be found in the fact of private ownership of a share of stock or where is the difference to be found?... The Canadian people have a greater need to regret the influence of bankers over governments than to regret the influence of governments over the banks.

The climax of his attack came when he exposed the basic weakness of the legislation; a weakness that was going to haunt a later Conservative government when James Coyne was Governor.

The minister tells me that the word of that appointee becomes final when there is a clash in policy between the government and the bank directors he has appointed. Therefore the very worst kind of political influence still remains in the legislation. The government retains just enough influence to get the blame, but not enough power to determine policy, and it may find itself in a position where there will be a strong man following a policy detrimental to the government's interests, and it will not be

able to stop him because he has been elected in the manner provided by this legislation which gives a private company power to control him. Such a situation is not only possible, but, I should say, very likely to happen; for does anyone hold that the interests of a private bank always run parallel to the national interest? 51

It is difficult, with a sprinkling of quotations and brief commentary, to bring out the full flavour of a speech, or to show its impact on an audience. Maybe the following comment by E. J. Garland, who got to his feet immediately after Irvine had finished, is the best comment that can be made as to its effectiveness:

Mr. Speaker, it is with some natural humility I follow the excellent oration to which we have just listened, and may I be the first to extend my congratulations to the hon. member for Wetaskiwin upon the devastating manner with which he dealt with the argument of the Minister of Finance this afternoon. In the years I have sat in this house I do not believe I can remember a ministerial pronouncement having been so utterly torn to shreds. 52

There followed a long running debate that went on until the end of June, punctuated by a series of amendments by G. G. Coote, I. A. Mackenzie, Irvine, Woodsworth, and H.E. Spencer, all centered around the theme of government control, ownership, or some variation thereon. These were either declared out of order or defeated and when the third reading came up the main motion was carried by a vote of 97 to 56.⁵³ A great many of the United Farmers and Progressives voted in opposition with the Liberals, but Irvine and Woodsworth voted with the Conservative majority on the principle of "half a loaf", and thus it was that the Bank of Canada came into being.

On February 4, 1935, Irvine made his last effort towards the creation of a banking system that would be able

to carry out the radical financial policies he felt were necessary to free the country from the unnecessary sufferings of the unparalleled depression when he moved:

That, in the opinion of this house, all banking facilities, including both the chartered banks and the central bank, should be nationalized as speedily as possible. 54

There was, of course, no chance of such a motion being carried, even though Irvine pointed out that he was "not advocating the taking over of the chartered banks with their capital stocks and their huge, palatial buildings on the most expensive corners of the various cities," but rather "advocating the nationalization of the facilities, the taking from the banks of the power they now have of dispensing credit." Not even the tempting promise that "if we have access to social credit and are in a position to monetize the real wealth created, and find an adequate means by which that may be distributed to the consumer, then we have at least in part solved the greatest and most difficult problem which modern civilization presents,"⁵⁵ could prevent the overwhelming defeat of the motion after three and three-quarter hours of debate.

The motion is interesting not only because of what it tried to achieve, but also because it reveals the great change that had taken place in Irvine's thinking during his thirteen years in the House. He had learned a great deal about human nature. Gone was his boyant optimism, his lively faith in the efficacy of reason, discussion, and scientific evidence as being sufficient to lead a capitalist society into the "brave

new world." He had finally grasped the great truth that so many utopian reformers never discover: that Wealth and Privilege do not permit the continuation of human misery, ignorance, exploitation, and deprivation because of a lack of insight or because of an invincible ignorance as to the true interests of themselves and their fellow men, but rather that they willingly preserve the status quo because it permits them to exploit the less fortunate, to batten at their expense, and to maintain the very system that is the sine qua non of their own existence.

This lesson learned, Irvine resolutely turned his back on the wishful theme that a scientifically enlightened free enterprise system could lead to the Just Society, and he set off boldly down the road to socialism even though he was well aware of the many pitfalls and drawbacks of such a path. Thirteen years in the House of Commons had turned him from a socialistic reformer into a full-fledged socialist; he had become convinced by experience that the tiger could not change its spots nor could the lion be taught to lie down with the lamb.

4. Gold, Debt, and Social Credit

As Irvine's economic ideas matured he tended to dismiss tariffs as being of secondary importance to the basic problems of the country. Once in debate he referred to them as "the hobby-horse of Canadian politics" which he refused to straddle.⁵⁶ However strange this attitude must have appeared

to his fellow Westerners, the explanation lies in the beliefs that he held about the nature of money, the gold standard, and the uses of credit. Here lay the crux of the matter, and it was here that radical and fundamental reforms had to be carried out. As has been intimated, he believed that the capitalist system had pretty well solved the problem of efficient production but only to fail on the side of distribution. As a result of this failure society was faced with the paradox of plenty: deprivation due to abundance. This enigma could only be solved by a drastic reform of the financial system which had failed in its primary function: to make the fruits of production available to the consumer. The failure of the financial system was due to two basic defects: the erroneous belief that money was a commodity rather than being merely a medium of exchange, and the faulty use and control of credit by a small oligarchy of appallingly ignorant and socially irresponsible financiers. The inadequacy of the financial system and what must be done to remedy it is the basic theme that runs through Irvine's parliamentary career like a golden cord, an insistent liet-motif that dominated his fourteen sessions in the House. It is highly symbolic of the stress that he placed on financial reform that it formed the major portion of his maiden address in 1922 and that it provided the basic argument for his last speech in 1935, his vitriolic attack on the type of financing provided for by the Dominion Housing Act.

We have already seen how Irvine fought for public control of banking and the methods by which he hoped to have

credit used for the good of society as a whole. Although social control of credit was one of Irvine's basic aims, yet to clearly understand his thinking it is necessary to examine his ideas about the nature of money itself, its relation to gold, and the whole problem of inflation and devaluation. It is precisely because of his heterodox beliefs about the nature of money that he was able to advocate policies that appeared to his more conservative colleagues as the rankist financial heresy. There is no doubt that an orthodox definition of money would have made his belief in social credit and Keynesian economics impossible.

Although Irvine lived in what Keynes has called "the age of commodity money", he clearly saw that this type of money, although fine for the mercantile age, was no longer adequate but rather detrimental to the modern industrial age. Long before "the age of representative money" he was proclaiming the necessity of its advent with all the fervor of a herald of a new dispensation. The basic fallacy of the monetary system was that "gold has an intrinsic value in itself, while the function of money is to become a medium of exchange. [Therefore] to use a medium which in itself has intrinsic value is practically impossible, for then the medium ceases to be a medium and itself becomes a commodity."⁵⁷ Furthermore, from this fundamental confusion sprang certain disastrous complications that compounded the error. The primary defect was, of course, the absence of any connection between the amount of money in circulation and the needs of an expanding industrial

society since "there is simply no conceivable intelligent relationship between the amount of money which may be required by a state in order to distribute the goods in that state to the people who produce them and the amount of gold which may be found now or at any other time on this planet."⁵⁸ Another complication was that by using gold as the basis any stabilization of the currency was impossible, for, as he explained:

Gold is not controllable ... because in the first place you do not know how much of it you can find next week or next year, and therefore it has no relation to the amount of goods which will be in readiness, waiting to be distributed by money, which can be issued only on gold so long as we maintain the gold basis.... even Great Britain could not prevent other countries from bleeding her white of a commodity of which the empire produces 70 per cent of the entire output of the world. 59

A third serious complication was that because of this lack of any constant stability and as a result of the decreasing amount of gold available in relation to the increasing demand for financial capability, a gradual deflation set in after World War I that was slowly smothering the productive capacity of the modern industrial world. In Canada's case this deflation was only increased in its severity by the ill-advised decision to go back on the gold standard in 1926.⁶⁰ This deflation not only had a strangling effect on the industrial capacity of the nation but it also increased the real burden upon the productive debtors to the advantage of the bondholders, the money-lenders, and the financiers. The degree of deflation was such that Irvine could claim, in 1931, that under the former Liberal administration, "the debt of every

farmer, and the national debt, was more than doubled," since it now "took two bushels of wheat, two hours of labour, or two units of any other sort to do what one unit could have done prior to the deflation."⁶¹

There were also some major contradictions in using the gold standard that violated Irvine's concept of common sense. In 1922 he pointed out that the total amount of gold available in the world was about two billion pounds sterling while the national debt of Great Britain alone was around eight billion pounds, and he accentuated the stupidity of the campaign of the financial establishment for a return to the gold standard by concluding "and yet we are going back to the gold basis of value when the national debt of one country alone is four times greater than the total amount of gold available in the world."⁶² The whole idea of using gold in this fashion appeared so ludicrous to him that when the Prime Minister insisted, in 1932, that the first \$50,000,000 of notes issued by Canada had to have a 25 per cent backing in gold and for all notes beyond that figure, gold for each dollar, he made this caustic comment, which unfortunately had no effect on Bennett's orthodox approach:

Let us apply that principle to other standards.... Let us suppose parliament passes an act this year whereby we must develop no more horse-power from our water resources or our coal than we can provide living horses. Would anyone say that that was an intelligent thing to do? Yet we are asked to have a unit of value, we are told that we can only have as many units of value in circulation as we have gold hidden away in some vault. I would not mind that if we had the same power to create gold as we have to raise horses, but we have not. 63

One of the greatest surprises of Irvine's career is that although he was one of the earliest and most ardent missionaries of social credit, labouring during the heat of the day in the financial vineyard well over a decade before the advent of Aberhart, yet he never reaped the bountiful harvest he had done so much to prepare. When the social credit faithful sat down to their thanksgiving feast after their triumph in 1935 Irvine was one of those who were left in the outer darkness of a political limbo that lasted over ten years and from which the momentum of his career never made a complete recovery. The reason for this paradox is not that Irvine was lacking in steadfast affection for the theory that Major Douglas launched as a demure debutant upon the financial and political scene but rather because of social credit's startling metamorphosis under the demagogic Aberhart into a brazen \$25 pick-up, who at that "just price" rapidly infected the farmers and the burgesses of Alberta with financial lunacy. A wide background of financial theory and a long time exposure as a carrier gave him a certain immunity to the new virulent strain of social credit that swept across the province, and although he caught a severe rash, the disease only cost him his seat, not his integrity.⁶⁴ There is little doubt that, had Irvine so desired, he could have joined Aberhart on very advantageous terms and have floated into power on the cresting wave of social credit popularity that he had done so much to promote.

It is clear from a study of Irvine's speeches during the 1920s that he believed in using social credit in the Keynesian sense: the state issuing debt-free credit and using it according to a mathematically-derived formula in order to control the business cycle. To him social credit was not a magical means to produce money for individual voters from the end of a fountain pen, rather it was a scientific instrument to be applied to the economy as a whole in order to eliminate the boom-bust cycle without creating a heavy burden of self-perpetuating debt. In his maiden address he explained that credit "is the power to produce goods, as, when, or where desired," a measure of "the future producing and consuming potentialities of the nation" rather than being based "on what you have already gathered in store." From this it logically followed that Canada had an excellent credit rating because of its potential "to produce a great deal more than it is producing today." Although the Government did not grasp the true nature of credit, the lenders of the financial world did; and as a result Canada was able to borrow vast sums in the money markets of the world, thereby "making millionaires by allowing them to lend us our own credit to us in order that they may charge us very highly for the privilege." The logical solution was, as he explained:

... to discover if it is not possible to issue all credits to ourselves and so save interest, and thus be able to get enough new money, if you will, to run the business of Canada without those periods of inflation with their corresponding periods of deflation incident to the present system when new money is created. 65

It was on the basis of these beliefs that Irvine criticized the unimaginative financing of the post-war and depression years. The budgets were his special targets; and year after year he hammered away at those monolithic monuments to financial orthodoxy. In his approach he was not primarily concerned with individual items or even individual budgets, as can be seen from the opening remarks he made to his first budget speech in 1922.

Any criticism that I have to make will not, therefore, be applied exclusively to the present budget, but will have special reference to the financial blue bird that we are blindly chasing and the method we are adopting to snare it. If we are to continue to figure our credits and debts by a method of bookkeeping which ignores the real wealth of nations; if we are to continue to train our people in the false idea of the building up of bank accounts of financiers instead of abundant wealth for all people, then truly the budget as presented by the Minister of Finance, is as good as and, even better than, any other budget. 66

Rather his practice was to expose what he called "the colossal lie upon which the budget is based; the lie that resulted from a confusion of money and wealth, the lie of Canada's poverty." Canada, he felt, was a wealthy country with excellent credit, as could be proved by her amazing ability to borrow, and the only reason for her apparent poverty was the intransigent insistence of Minister of Finance after Minister of Finance that the books had to be balanced or that money could only be raised by borrowing interest-bearing loans from the money-lenders of the world.

In 1925, after pessimistically announcing that "the government that is in office now is far below the average of

Canadian governments. I have not been able to find one outstanding achievement to its credit," Irvine went on to suggest that the Government finance its current expenses by issuing the amount necessary on the strength of the national credit and balancing the account at the end of the year by taxing to the extent of the amount issued; thus avoiding both the rocks of debt and the whirlpool of inflation.⁶⁷ While in 1928, during the height of the boom, he had the following advice:

.....I want to point out that I was one who urged the government for larger expenditures at a time when Canada was passing through a very difficult period of depression. At the time I found that the house generally had caught the gloom, and everywhere was insisting that the government should restrict its expenditures and thus further force the country into depression. Following the same policy I would say that this is the time when Canada should restrict her expenditures as far as possible and start no new exploits which could be postponed for a few years, knowing that the depression will return. 68

Over and over again during the depression he came back to his basic theme that the inadequacy of purchasing power in the hands of the people and the concentration of credit in the hands of the large financial institutions and corporations were the real causes of the economic paralysis settling over the land. He haunted the supporters of the capitalist system with devastating comments like the following:

But today we are in the age of plenty... and there is no more reason for a lack of bread, a lack of clothing, a lack of warmth, a lack of housing or a lack of any of the necessities of life than there is for a lack of water. We are in the age of great surpluses. In one year Canada has produced a surplus of wheat sufficient for our needs for another year. If that were done in the case of all our products, the population of Canada would perish in a week.... 69

Furthermore, besides the needless stupidity of having a depression

at all, what really bothered Irvine was the fact that Canada faced it with no real plan of action. Early in 1931 he complained that "we plan nothing; we drift, drift, drift, and nobody knows where we are going to land; ... We cannot longer drift like that. ... There is no time to lose; no time to dilly-dally about fighting for power."⁷⁰

Plan or no plan, the radicals were not the type of men to merely criticize the action or lack thereof on the part of the Government without proposing their own solutions. Not for them the nit-picking role of the Liberals, now safely in opposition. Some of these proposals were of a purely manipulative nature and were intended to have a remedial effect. For example, early in 1932 G. G. Coote moved "to eliminate the provisions for the redemption of dominion notes in gold and to provide for the issuing of dominion notes without relation to gold reserves,"⁷¹ and in 1933 Irvine called for "a final departure from the gold basis" and the depreciation of the Canadian dollar to the same extent of the depreciation of the British pound along with a study of "ways and means of reducing the internal debt greatly increased by deflation."⁷² And in 1934, on the plea of "grievance before supply" he introduced, over the objections of the Prime Minister, the subject of deflation and demanded "that debt be reduced so that it may bear the same relation to the price level which it did when contracted and that interest should be wiped out completely from the time the price level dropped precipitately until it again reaches the point where the major portion of the debt

was incurred."⁷³ He began the four-hour debate by stating that to "endow debt with reproductive powers and then deflate and destroy the income of the debtor so that his property goes to the creditor is one of the greatest crimes which ever received the endorsation of the wise and the good," and he went on to argue as follows:

Is it too much to ask that mortgage companies, bondholders and banks should assume their fair and equitable share of the economic losses which the people of Canada have sustained since the depression began? Is it fair that the income of people who receive wages, or of farmers who receive prices for their commodities should be less stable than the income of those who are paid interest on interest-bearing bonds? ⁷⁴

However, none of their motions succeeded in doing more than filling the pages of Hansard with revealing statistics and interesting debate.

As the depression deepened other solutions advocating fundamental changes in the economic system were also brought forward. In the budget debate of 1932 the radicals moved an amendment calling for the nationalization of all financial institutions along with the depreciation of the dollar to its war-time level and the imposition of currency and credit controls to maintain the prices at that level.⁷⁵ Early in 1924, in the space of two weeks, they demanded: "the creation of a national system of credit and finance,"⁷⁶ that "the present system should be superseded by one based on the principles of co-operative production and distribution in which human needs should be the first consideration,"⁷⁷ and that "the government should give consideration to the advisability

of nationalizing life insurance."⁷⁸

None of these motions being successful, the radicals returned to the attack the following year when early in February Irvine demanded that "all banking facilities...should be nationalized as speedily as possible."⁷⁹ However the major attack on the status quo that year was the C.C.F. amendment to the budget, moved by G.G. Coote, which called for the following:

... that the government should take immediate action to insure the fullest and the most equitable distribution possible of our socially-created wealth and that, as a first step in this direction, the measures which may be necessary to meet the pressing needs of the farmers and the unemployed should be financed by the social credit of Canada, thus avoiding a further increase in the debt burden of the country. 80

This amendment is of special interest for it illustrates not only the degree to which the newly formed C.C.F. was influenced by social credit ideas but the debate that followed also shows how divergent were the views of the socialist members as to what the wording actually meant. While most of its supporters, like Woodsworth, confined themselves to detailed accounts of the sorry state of economic affairs caused by the lack of credit and proper financing, a split did develop between those who dared to be more specific. On one hand Robert Gardiner of Acadia was saying:

I do not believe it is advisable to distribute this purchasing power to the people without their giving some service in return, provided they are physically able to do so. With all the machinery of government and all the power that parliament enjoys, I think we could devise ways and means whereby this purchasing power could be distributed to the people in return for their labour. 81

On the other hand, Irvine was advocating social credit dividends and with no hesitation imputing these views to the party as a whole. The defeat of the whole Albertan wing of the C.C.F. (Gardiner, Spencer, Coote, Garland, and Irvine) made it possible for the party to avoid any further exposure of this particular schism on the floor of the House.

By this time Irvine realized that the Conservatives were a spent force and he had already turned his guns back on the Liberals. The following report in a Toronto newspaper of one of his speeches is symptomatic of his attitude towards Mackenzie King, his long time bete noire:

"Mr. Bennett has been a far better Prime Minister than Mr. King. Voting only to 'beat Bennett' would make fools of us."

"Bennett has been turned out by St. James street because last year he gave us the best legislation in fifty years," asserted the speaker. "I'm not supporting him; don't mistake me. The only thing we have in common is that we both eat. But the new measures he introduced challenged the power of St. James street. That's why they're through with Bennett. And that's why you should vote to 'beat King,' as he's on the job for them now." 82

And following his own advice, in this debate he wasted no words on the Government beyond conceding that the budget was just as good as "it is probably possible to bring forward as long as we adhere to capitalism and are tied to the orthodox system of financing;" but rather he made a blistering attack on the Liberals for their complete lack of program or policy, as typified by their amendment which proposed no alternative to the "entirely inadequate" budget except to arrogantly call for "an appeal to the people." He very logically pointed out that it was "scarcely honest to have the people of Canada

assume that the inadequacy of the present budget will be made good merely by a change of government, when the party which expects to take office holds tenaciously to the same errors as the party relinquishing office hold."

After referring to a string of well-known economic authorities of the day to support his contention that "there is not sufficient money in circulation at a given time to buy the goods on the shelves at the prices at which those goods are marked;" and that while that is so those goods cannot be distributed;" he went on to accuse the bankers, bondholders, and industrialists of "economic fascism" since they "restrict production to the limits of an unsound money theory" and as a result "they cheat the people of all the advantages of industrial progress, [and] maintain the multitudes in a state of semi-starvation in order that they may continue to hold to an unjustifiable superstition about the relation of money to gold." In contrast he offered the following social credit solution which he had no hesitation in presenting as the official policy of the C.C.F.:

We regard it as impossible under the profit system to distribute sufficient money in the form of wages to back the goods produced; therefore we must augment the purchasing power of the people by some other method. What we propose is that the purchasing power shall be distributed as dividends freely to the consumer, so that it will operate as purchasing power and not as capital investment....

"Where is the national dividend to come from" is the question so often asked those who advocate this method of increasing the purchasing power of the nation. May I point out that we regard the great increases of production during the capitalistic period as accruing chiefly from three sources, first association in production, secondly through mechanical inventions and thirdly through the

use of solar power. All of these are social....Together they form the source from which we have the moral, the economic and if you like it, the divine right to draw purchasing power in the interests of the people of Canada as a whole. That is the source of the proposed national dividend.... The social credit proposal prevents inflation which would naturally follow the issuance of such quantities of money under the present system... by the application of a mathematical formula known as the just price. (*Italics mine*)

And he concluded by referring to Alberta, which "has invited the only man who knows how to handle this subject to deal with it," and he urged the Government to "give the Alberta government your right hand of support; give Alberta the power to deal with the question, if you will not deal with it yourselves, and let us all join together in working out a monetary policy."⁸³

However confusing social credit may have been for the rest of the House, there can be no doubt that the argument had all too familiar a ring for the Alberta members for it was at this very time that the U.F.A. was being split over this very question. There, although Irvine had failed at the annual convention in January to get a social credit plank in the platform, he had succeeded in carrying a resolution that forced the reluctant leadership "to engage Major Douglas as a consulting engineer in the matter of financial reform."⁸⁴ Among the radicals at the federal level the same sort of confusion had developed. Certainly Irvine's fellow socialists agreed with him when he argued that credit "springs from the efforts of society," that through public ownership of the financial institutions credit should be controlled for the good of society, and that by a Keynesian application of credit and the issuing of currency the business cycle should be

controlled without the added burden of self-perpetuation debt; but that is about as far as they were prepared to go. Even during this rather confused period, when the C.C.F. was still formulating financial policy, there were very few, if any, who would agree with "the free national dividend" side of the argument, and one can only conclude that it was sheer presumption on the part of Irvine to use the collective "we" in presenting what was so cuttingly being described by the League for Social Reconstruction as "a mixture of half truth and over simplification."⁸⁵

Upon examining Irvine's economic beliefs at this time one cannot escape the conclusion that the mixture of Keynes, Douglas, socialism, and syndicalism had caused a certain amount of confusion in his mind with the understandable results that he did not see the contradictions that existed in his thinking. He never seemed to have asked himself why the C.C.F. and the Regina Manifesto were necessary when all one had to do was to nationalize credit and hand out "the national dividend" in order to make the capitalist system operate properly. Why socialize any further, especially if one had the deep reservations that he had expressed about public ownership and the deadening effect of a state bureaucracy? Surely if social credit would work to the degree he believed then socialism was not necessary at all.

It is not hard to understand why Irvine became a social creditor. Just as he had moved spiritually from Christianity to Humanism earlier on in his life, so he was

politically on the move, and social credit was the obvious answer during the earlier stages of his intellectual trek towards the left when he was still a firm believer in reforming the capitalist system rather than eradicating it. The academics of the League for Social Reconstruction were probably quite right when they wrote: "The secret of the "social credit" appeal lies in its promise to bring forth a new economic order by painless methods - a twilight-sleep form of social change."⁸⁶ As Professor MacPherson points out, the orthodox economists were not in a very strong position to disprove the A plus B theorem as "they had no very satisfactory explanation of the failure of the economy, and they appeared at least to believe that production automatically provided just the requisite amount of purchasing power."⁸⁷ Furthermore, given the basic assumption of a radical of Irvine's utopian nature that

... the financiers were in control, it was an easy step to conclude that it was the financiers who were preventing the realization of the technological potential, by a permanent policy of restricting credit, and that the issuance of social credit, up to the limit of the utmost potential productivity, could bring plenty and leisure for all without disturbing any except the financiers' interests.

As far as the C.C.F. was concerned, the amendment to the 1935 budget calling for reform measures "to be financed by the social credit of Canada" is probably as close as it ever came to social credit. The handbook for the Canadian socialist movement, Social Planning for Canada, which came out in the same year, had a most critical section on social credit and

its "crude sectarians." Its analysis of the basic flaws in Douglas's thinking was so lucid and devastating that no one could possibly continue to call for a social credit solution and retain any intellectual standing in the party. The section, "The Futility of Social Credit,"⁸⁸ must have had a jolting effect on Irvine as it tore into his long-standing beliefs and made it crystal clear that no compromise with social credit was going to be possible. The very fact that he remained in the party is proof enough that at the age of fifty he still retained his rational and scientific turn of mind and his ability to follow the course of reason no matter how painful the re-adjustment must have been.

In retrospect Irvine's life appears as a sort of slow progression from the magical to the scientific, or rather from the realm of faith to the realm of reality. Just as science and reason had eroded his early faith in the supernatural side of Christianity and brought him to Humanism, so they also dissolved the mystic elements by which Social Credit was to save the economic system; and once the "magic" was gone, the "social" side of social credit remained to emerge into the full-blown socialism of his latter years. It was there in socialism that Irvine came to political and economic rest, just as in the realm of metaphysics he had found his haven in Humanism.

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LABOUR AND AGRICULTURE

1. The Cape Breton Conflict

The Fourteenth Parliament had been in session for less than a month when the Labour member from Calgary East moved the adjournment of the House "for the purpose of discussing ... the serious crisis developing at the present time in Nova Scotia between the miners of District No. 26 and the British Empire Steel Corporation."¹ Irvine's move served notice to the House that he meant to take his role as a representative of labour seriously and further that he intended to take all Canada as his constituency.

The growing crisis was the result of years of active exploitation and growing corporate greed on the part of the mine owners, an unvarnished collusion on the part of provincial administrations, indifference and neglect on the part of the federal authorities, and nervous handwashing on the part of the Cabinet when finally faced with a demand for concrete action. Unless one is aware of the fog of pious intentions and platitudes that blanketed the King administration, it is hard to believe that the federal Liberals, running on the Platform of 1919 and who had swept all 16 seats in the province of Nova Scotia, could sit in complacent indifference until a member from Alberta raised the matter in the House.

The story itself is briefly told, one of those many sordid tales of the halcyon days of free enterprise before the working men of Canada were completely corrupted by welfare

and before capitalism was crippled by government interference. In January 1922, plagued by falling prices, increasing competition, and dwindling markets, the British Empire Steel Corporation, a recently formed amalgamation of various companies in Nova Scotia, announced a wage cut of $37\frac{1}{2}$ per cent for piece work and a reduction from \$3.80 to \$2.44 for the datal men. This move affected some 12,000 miners, most of whom belonged to District No. 26 of the United Mine Workers of America. This unilateral decision on the part of BESCO gave the miners an average wage of 71 per cent lower than those being paid in the coalfields of Alberta even though the cost of living was 17 per cent higher in the Maritimes than in Alberta. The Minister of Labour, James Murdock, granted a conciliation board, but the government-appointed chairman generally agreed with the company and the majority report called for a reduction of $32\frac{1}{2}$ per cent and a datal rate of \$2.85. The minority report, submitted by James Ling, mayor of New Waterford, recommended a 14 per cent reduction and a datal rate of \$3.50, and in it he stated: "In my opinion, the wage rates proposed by the majority, if enforced, will condemn thousands of men, women, and children to live in a state of semi-starvation."² The majority report was turned down by the union and a further offer by the corporation headquarters in Montreal of 15 cents on the daily rate was also rejected by the angry men back in Nova Scotia.

The investigations and commissions that discovered the cases of malnutrition and slow starvation among the

families of the miners were really not necessary. One merely had to take note that the average miner normally working only four days out of seven, received a take-home pay of \$11.40, while the Labour Gazette for February of the same year, published by the Department of Labour, stated that the minimum that a family of five could subsist on adequately was \$21.52.³ Under such conditions it is understandable that the desperate miners decided to follow this advice on the part of J. B. Machlan, Secretary-Treasurer of the district:

Brothers: The war is on, a class war. On the one side you have the British Empire Steel Corporation out to invade the homes and living of our people, to pay dividends on stocks which do not represent one dollar of real money. On the other hand you and your fellows have voted to defend that living wage to the last ditch... There is only one way to fight this corporation and that is to cut production to a point where they cannot, any longer, earn profits." 4

The resulting impasse had its most detrimental effect on the mining towns of Glace Bay, New Waterford, Dominion, and Springhill, communities which were especially dependent upon coal. After pleading unsuccessfully with the provincial Liberal government to intervene, a large delegation was sent to Ottawa to solicit federal aid. Much to their dismay the Prime Minister, a noted authority on industrial relations, proved as unyielding as the Minister of Labour, refusing to take any action at all and even going so far as to deny them that time-honoured sop, a royal commission. It was after this refusal that Irvine brought the matter to the attention of the House, and he climaxed his detailed account of the proceeding stalemate with this plea for action:

The miners of Nova Scotia have appealed to the constitutional authorities of this country to deal with a condition which to them is unbearable. The provincial authority says that it cannot or will not act; this Government says, or virtually says, it cannot act. Well, who is going to act? If these men cannot obtain redress by constitutional methods, what are they to do?...Surely there is some constitutional authority which will face the situation and undertake to see that a fair deal is given both to the corporation and to the miners. 5

Certain other information also came to light during the debate that added to the total picture. Irvine reminded the House that the request to form BESCO had been turned down by the former Conservative administration and that the gigantic merger had only recently taken place under a provincial charter granted by the Liberal administration in Halifax and he claimed that during the process of amalgamation some \$19,000,000 of watered stock had been created and that it was the necessity of paying dividends on "its watered stock as well as on its dry stock" and not merely the competition in the world markets that had caused the corporation to seek to increase its profits by a drastic cut in wages.⁶ D. M. Kennedy, U.F.A. member for Edmonton West, pointed out that the federal government could not escape its responsibility by hiding behind the screen of the B.N.A. Act, but rather that it had an obligation to intervene for the simple reason that it had already intervened when over the years both Liberal and Conservative administrations had granted subsidies to the coal and steel companies of Nova Scotia to the tune of some \$15,000,000 to \$20,000,000.⁷ At this point the cat was clear out of the bag and Parliament plunged into one of the longest and most bitter industrial disputes that the nation has ever seen.

The first Liberal on his feet was W.F. Carroll, member for Cape Breton South and Richmond, and after identifying himself with the interests and welfare of his unfortunate constituents pretty well confirmed Irvine's account of the conflict; however his advice was that the miners quit "loafing on the job" and that they request the provincial government to reappoint a board to reconsider the whole matter. He assured the Speaker that he was not going "to offer any criticism of either parties to this unfortunate misunderstanding between capital and labour" and "having assisted the delegation in every possible way" he concluded "in the hope, Sir, that this House will at least feel that I have done my duty as I see it."⁸ (Italics mine).

The reaction of the Minister of Labour was equally surprising. "I do not hold for one moment that \$3 or \$3.25 is a living wage" he assured the House, yet "Heaven forbid that the time should ever come when it should be regarded as necessary by labouring men, accepting a wage of any kind, to strike on the job." Not only did he claim that "red-blooded Canadian citizens will never do any such thing", but he went on to alert his fellow parliamentarians that "anyone who undertakes to countenance any such suggestion is only looking to the ruin of the constitutional rights and liberties of the citizenship of this country." Obviously stung by the increasingly bitter exchange of telegrams between himself and the secretary of the local union, he went on to warn against the danger of "showing a white feather

and knuckling down to such challenges as we have from J. B. MacLaclan;" and he ended his defence of his department's lack of action in the following outburst of indignation and patriotism:

So long as I can exercise my voice and my vote I say that the tactics of the red element - for that is what it really is - the I. W. W. propaganda that has been used ... shall not prevail I have been fighting that propaganda too long to start now to countenance any such thing as Minister of Labour, and I do not believe that hon. members will for one moment do anything more in this matter than uphold and commend the judgement of this Government in deciding that ... no royal commission will be appointed at the behest and at the dictation of these gentlemen in Nova Scotia, these men who are advocating such an un-Canadian policy as we have been hearing of during the past few days. 9

This revelation of the workings of the ministerial mind did nothing to assure the House that the Government was being guided by the splendid principles expounded in King's famous book, Industry and Humanity. Woodsworth argued that "since the minister has put the question on high ethical ground, if it is wrong for labour men to curtail production when they cannot earn even a living for themselves and their families, then it is a much greater wrong for any manager of a factory ... to stop work simply because he cannot obtain the profits he would like;"¹⁰ thus betraying, according to the Manitoba Free Press, "a curious obliquity of thought, a mental blind spot, in seeing no difference in two cases in which such a radical difference exists."¹¹

The attack on the Minister gained momentum when A. W. Neill, the Independent from Comox-Alberni, asserted that the roots of Bolshevism lay in the fertile field of social

injustice and he was joined by E. J. Garland, T. W. Bird, H. J. Logan, and other Progressives of that stamp. However, the surprise of the evening came when Arthur Meighen, after commending Irvine for raising the matter, dissected the issue point by point and ended by defending the actions of the men in striking on the job since it involved no deception such as takes place when one "loafs on the job." In this case the miners were openly saying: "You are giving us two-thirds of a day's pay and we will give you two-thirds of a day's work and only that; we won't pretend to give you any more." The corporation could fire them but it would not do to call them dishonest. He scornfully summarized the position of the Government as follows:

We do not dispute the value of a royal commission, or the need of further investigation, we do not dispute the dire conditions you present, and we do not dispute that they may get worse and rapidly worse, although all these things are undisputed, because J. B. MacLachlan advises the men, and they take his advice, only to do so much work for so much money, we will not have anything to do with it whatsoever.

He concluded by demanding that the Government perform its duty "to get between the parties, ... and seek to help both sides, but seek most of all to assist the community that faces the danger it does face."¹²

The final salting of the wound that Irvine had opened came when Agnes Macphail pointed out that if the parent were sent to jail, as the law demanded for not sending their ill-clad children to school (payment of the \$20 fine being out of the question), the results would be that they would

be much better fed "because the county council of Cape Breton allows 40 cents a day for the food of prisoners, while the British Empire Steel Corporation pays 19 cents per head per day to men who have on the average five of a family to support." She then read a 1500 word quotation from Industry and Humanity which categorically condemned the whole wage policy that was being inflicted upon the hapless miners, and the climax came with this slap across King's face:

I thought it possible, Mr. Speaker, that the leader of the Government had forgotten that he wrote this book. If he does remember, I am quite sure that some of his followers, judging by the sentiments they expressed this afternoon, are not in sympathy with it; and Hansard to-morrow morning may make good reading for them. 13

The reaction was immediate: the nettled Prime Minister rose to his feet and after reiterating that constitutionally the matter was one to be dealt with by the province of Nova Scotia, he went on to decry Meighen's defence of the policy of "loafing on the job," calling it "one of the worst kinds of industrial warfare known to the world." He stated that "to appoint a commission under the circumstances would be to countenance that kind of warfare and to encourage it in this country" and he added, "the Minister of Labour made that very plain this afternoon and in doing so he stated unequivocally the position of the Government."¹⁴

By this time, however, Irvine's original motion had swelled into a tide of criticism, and even the most categorical statement of steadfast intent was bound to have a Canutian ring to it. When Sir Henry Drayton, a former Minister of

Finance and a man of tremendous prestige, had finished speaking there was no way that the Government could maintain its position without the loss of any claim to benevolent rationality. This utter destruction was achieved by simply pointing out that although the Government was not to blame for the tragedy this did not absolve it from all responsibility for remedial action. "It is said that Nova Scotia can look after itself. You might say that about any labour trouble in any province in this country, but why have we a Labour Department? We are maintaining a Labour Department to settle these matters."¹⁵ Fortunately for the Government, at this time T. A. Crerar broke in to say that he had serious reservations about the wisdom of appointing a royal commission and suggested that the former conciliation board be reconstituted instead, an out that the Prime Minister was so glad to see that he interrupted the Progressive leader in full stride to accept it.¹⁶

The outcome of the dispute can be briefly dealt with. After some petulant delay the Gillen Board was reconstituted but it achieved so little that by August the Minister of Defence had authorized the use of troops in the explosive situation at the Dominion Coal Company. By the next spring the miners were calling for a 20 per cent increase, an eight-hour day, and a check-off system while the president of BESCO was threatening to withdraw his capital "and allow the grass to grow on the street of Sydney": a threat that inspired the local paper to come out with a headline reading, "Citizens Call For a Drive to Wipe Out Bolshevism in Cape Breton."¹⁷

1924 and 1925 proved to be re-runs of the previous years, the only variety being the arrest of "Red" MacLachlan, local bete noire of the establishment, on the charge of "spreading a false tale" about the brutalities of the strike-breaking provincial police. When this turned out to be all too true he was then charged with sedition and flung into Dorchester penitentiary for a session until paroled by the embarrassed federal government.¹⁸ Eventually the provincial government did work out a compromise but it almost immediately ran into difficulties because of further production cuts and even the boom years of 1927 and 1928 failed to dissolve the problem which finally lost its special urgency in the overwhelming disasters of the 1930's.

Today it is easy to forget the climate of those times, the abuse and the hostility of the establishment towards 'Labour' and the aspirations of working men in general. An example of this is the attack that appeared in the Edmonton Bulletin, a staunch Liberal paper, five days after Irvine had raised the Cape Breton question in the House. No mention was made of Irvine's role in initiating the debate on the plight of the miners, probably because Alberta herself was experiencing a crisis in her own coal fields and undoubtedly there was a great deal of sympathy for the mining communities among his subscribers; rather the editor took a speech that Irvine had made in Montreal as a basis for the following slanderous distortion:

"Windy" William Irwin [sic] M.P. thinks the country would be better off if a half million people who have got beyond forty-five years of age were buried. There need not be any doubt that the Calgary member means precisely what he says; or that if he could succeed in setting up a Soviet tyranny he would take steps to carry his elimination theory a good way into execution, after the fashion of his great prototype in Moscow...

Is William a knave or a fool, or a combination? That is what a good many people are asking at the present. The answer is obvious. A knave certainly; but no fool. He is a Bolshevik.... He did nothing more and nothing less than preach 'good' Bolshevik doctrine to his Montreal audience, the kind of doctrine that has landed Russia where it is, that would have landed Canada in the same place if the Soviet 'strike' of 1919 had succeeded, and that will land it there yet if William and his associates succeed. 19

Maybe we should not be too surprised at this smear; after all editors are not, as a rule, noted for their judicious restraint or sense of fair play. However, if J. Castell Hopkins, for example, reflects in any large degree the attitudes of the intellectual elite of his times, then his introduction in the Canadian Annual Review to the Cape Breton conflict is highly significant for it clearly illustrates how an ingrained prejudice can force even a most meticulous observer to conclude, in direct contradiction to his own chronicle, that: the Labour leaders "were bitten by the Socialist and Soviet fantasy and the men no longer regarded steady work at fair wages as desirable but demanded high wages even if they were only for 6 months of the year - while showing little interest in the productive side of the business." (Italics mine)²⁰

Most historians are a little more careful about drawing conclusions that are at such variance to their own facts. A more modern technique, if R. Macgregor Dawson is any example, is merely to leave out the evidence that does not

support an earlier conclusion. It is surprising but instructive to note that in his book on Mackenzie King he uses twenty pages or so to record King's exploits as Minister of Labour in the Laurier Government in the most favourable light while he completely omits any mention at all about the Cape Breton conflict although it was the outstanding industrial dispute of King's first term in office. The only conclusion that one can arrive at for this astonishing omission is that the conduct of King as Prime Minister effectively contradicts the glowing picture painted of him as Minister of Labour.

2. The Eight-Hour Day

During the early part of this century one of the shibboleths by which a true progressive was recognized was by his stand on the question of the eight-hour day. Professor Macgregor Dawson certainly acknowledges this as one of the most important touchstones and he goes to some pains to identify Mackenzie King with the struggle for the shorter working day. He states that it irked King to have questions "that were clearly of a national concern blocked by provincial inertia or hostility" and claims that he was willing to use the federal position as an employer "to exert great pressure on the provincial governments to follow suit in a matter which was, after all, primarily under their jurisdiction."²¹ He goes on to support his contention by quoting at some lengths from King's speech in the House on December 9, 1909, when the Minister of Labour spoke in favour of a private member's bill calling for an eight-hour day on all federal works, the

climax being his claim that

So far as this question has a bearing upon ameliorating the ordinary everyday life of the working people, I submit that we should in this parliament, so far as we have the power - and we have certain powers in regard to contracts let by the government - we should do all that we can to further that end. 22

Yet, oddly enough, this is not the impression that many members of the House formed from listening to King's argument as to why Verville's bill should be sent to committee for revision. Meighen claimed that the Minister of Labour had "objected to the bill because it would extend the principle ... into fields which it was never intended to move at all ... factories where it could not be universally adopted."²³ At this point the question rises as to who was the most accurate in sorting through King's verbose circumlocution, the politician or the professor. Fortunately we have a valid test, and that is to look at what happened fifteen years later when the Labour group forced the issue back on the floor of the House by moving an amendment to the final report of the Standing Committee on Industrial and International Relations which recommended that work for the federal government be limited to an eight-hour day and a forty-hour week, and further that legislation should be enacted "declaring that such work as may be advisable should be ... [brought] within the control of the Dominion for the purpose of limiting the hours of work to eight in the day and forty-eight in the week."²⁴

Woodsworth supported the amendment with a wealth of pertinent data and a detailed presentation of the imperatives

for immediate federal action. What really annoyed him was that after the Washington Conference, the numerous orders in council, the reports of the various commissions, a joint federal-provincial conference, and the just-concluded investigation by the Committee on Industrial Relations "that the matter is to be referred to the Supreme Court, so that we are no further ahead than we were five years ago." And he reminded the House of the unpleasant fact that "there are certain classes of workers in Canada who are still toiling away eleven and thirteen hours a day and seven days of the week."²⁵

After listening to Murdock's defence of the "dead-slow" policy on the grounds that "the government wants to deal with it in an orderly way and with due regard to the rights and interests of all concerned,"²⁶ Irvine broke in impetuously:

The Minister of Labour has here an opportunity to put into practical effect all the splendid ideals and enthusiasm and inspiration of thirty years in the Labour movement. But when the opportunity presents itself to him what does he do? He begins to make excuses. Excuses of the Minister of Labour are many, and seemingly one is always ready. In the one instance we have the Privy Council; he cannot do anything because the Privy Council stops him. The next time he cannot do anything because the Supreme Court of Canada might say something about the question. Then he cannot do anything because the provinces have to be protected and there is certain provincial jurisdiction.... [but] one of the things which the amendment seeks is to have the government put into practice the principle of the eight-hour day in the case of any undertaking that falls entirely within the federal jurisdiction. 27

Murdock's reiteration that the real question was whether the Dominion government should, "in disregard of certain provincial rights, decide that an eight-hour day shall apply in connection

with public works and undertakings even though the adoption of that principle would seriously prejudice certain constitutional rights of the provincial governments,"²⁸ shattered in the following exchange:

Mr. MEIGHEN: The Minister had taken the ground that he would not be justified in enforcing the eight-hour day in new contracts which this government has made on the Welland canal, and I understand his reason to be that if he enforced the eight-hour day, then, having regard to the other conditions prevailing in the neighbourhood, it would be unfair to those who wanted to have their workmen work longer.

Mr. MURDOCK: I said it might be so held.

Mr. MEIGHEN: It would never be so held legally.²⁹

Once Woodsworth realized that there were grave doubts about the legality of the second part of the amendment as it seemed to be an invasion of the provincial jurisdiction under the guise of declaring certain works as being "for the general advantage of Canada," he decided that half a loaf was better than none. "Would the Prime Minister," he asked, "be willing to accept the first clause in my amendment, where there is not the slightest doubt that the Dominion government has jurisdiction?"³⁰ King, as so often when under pressure to take a stand, came out strongly on both sides: "I have already said that I favour the application of the principle to works that are controlled by the government, but the principle must be applied in the light of conditions as they are;" and he then went on by an alchemy of obscurantism to 'preserve' the principle completely by dissolving it entirely in the following acid of relativity:

There are considerations that relate to the nature of the occupation; there are seasonable occupations and the like and what may be a good principle to apply at one time or to one class of employment or in any one place may not be an equally good principle to apply at another time, to another class of employment, or in another place. 31

Needless to say, after this dexterous display of skill at the old shell game, no one could find the principle at all among the ranks of King's followers. Not one of the Liberals rose to aid the reformers in their futile attempt to withdraw the amendment and to re-introduce the first clause for the vote. Not even Meighen's preceptive remark that "it seems to me that we have to consider very seriously in the not distant future whether we should either get from under the Labour Convention to which we are now bound, or to go some further distance in regards to our own public works," could revive the mesmerized advocates of the Platform of 1921. In closing probably the most fitting comment that can be made about the sincerity of King's efforts on behalf of the eight-hour day is the fact that it was introduced for the direct employees of the federal government by an order-in-council on the 27th of March, 1930, by R. B. Bennett, some twenty-one years after King's ringing declaration of support back in 1909.*

* R. Macgregor Dawson notes this fact in a footnote to the above extract from his book whose total statement goes as follows: "A similar statute was eventually enacted in 1930."

3. Unemployment and Relief

The ease with which time erodes the effectiveness of a constitution is not reflected in the matter of amendment. Not only are constitutions often held in semi-sacred awe by a gullible public but they are frequently designed in order to make any change as difficult as possible. Furthermore, constitutions themselves often help to render the political leaders psychologically unable to conceive of or to accept solutions that demand a violation of familiar patterns. The British North America Act is no exception to this phenomenon and within fifty years of its inception it had already become a hindrance rather than a help in dealing with some of the major problems of a rapidly industrializing society. Fashioned by men who lived at a time when over 80 per cent of the population was rural or living in small farm-village communities that enjoyed a high degree of economic self-sufficiency, it made no allowances for an era when social welfare would be more than a local problem. Mass unemployment and mass destitution were unknown in such a society, the usual recipients of welfare being the weak and the unfortunate rather than large groups of able-bodied men unable to find employment. There was no way that the welfare provisions designed for such a state could deal with the problems that arose when only 26 per cent of the population lived on farms and when over 28 per cent lived in urban centers of over 100,000 inhabitants. Thus it was that in spite of the tremendous social and economic changes "which indicated the development of a society highly

sensitive to economic disturbances, Canada had not embarked upon an extensive program of social security similar to that of many European countries."³²

One of the more important criteria by which politicians can be judged is according to their ability to recognize when a qualitative change in the familiar patterns of dealing with problems becomes necessary. Surely the study of how the parliamentarians of that day attempted to deal with the malignancy of unemployment while being hampered with an increasingly inadequate constitution will afford us an excellent opportunity for just such an evaluation. Fortunately, at the same time we have a most scholarly analysis of the constitution in the Rowell-Sirois Report which can be used as a datum from which to base any judgement as to the basic nature of the crisis and the effectiveness of the solutions offered.

This report, viewing the whole matter from the vantage point of recent and bitter experience, came to the conclusion that the whole system of handling relief had prevented the effective concentration of responsibility for remedial action. The basic flaw was the underlying assumption that "in the first place relief was essentially a municipal and, in the second place, a provincial responsibility, and that the Dominion was assisting the other governments only as a matter of grace." This assumption was blindly adhered to even after it became painfully obvious that neither the municipalities nor the provinces were able to take effective remedial action and even those that were employed were "frequently short-sighted and

often economically unsound." As for the federal government's attempts to encourage remedial action along the lines of re-training, assistance to the provinces and municipalities for public works and housing, and tax reductions for industrial capital," it cannot be said that these policies effectively alleviated the burden of relief, much less ... that they cured unemployment." The principal difficulty was that the federal schemes required the co-operation of the other two levels of government and usually demanded proportional contributions as well whose effect was "to increase their financial burden ... which frequently deterred them from co-operation." As to the overall financial effects of following such a policy, the report has the following scathing judgement:

Nothing in the history of the Canadian government has contributed more to the breakdown of our system of public finance or has been productive of greater waste in the economy than the attempt to hold local governments primarily responsible for unemployment, as well as other relief. All the provinces and many municipalities have accumulated debts which in the most cases their revenue systems cannot efficiently support and the credit of many municipalities and of certain provinces was completely destroyed. The manner in which the Dominion assisted the local governments has given rise to large inter-governmental debts, arbitrary transfers, and difficult problems of administration which have seriously disrupted the harmony of Dominion-provincial relations. 33

Less than two months after the Labour Party had appeared in the House it had triggered a most revealing debate on the question of unemployment, revealing in that it was of sufficient scope to disclose the almost classical political stands of the day and to presage the manner in which the problem would be dealt with when it was later magnified by the

catastrophe of the Thirties. Woodsworth sparked the confrontation by a motion demanding "that in view of the widespread unemployment with which the Municipalities and Provinces find themselves unable to cope, it is desirable that the federal government should devise some means of dealing effectively with the situation." He was in excellent form that afternoon, pointing out the necessity of dealing with the problem on the federal level and backing his demands for action by quoting from Liberals and Labour, a pamphlet put out by the National Liberal Committee, which contained a resolution stating that "an adequate system of insurance against unemployment, sickness, dependence in old age, and other disability, which would include old age pensions... should be instituted by the federal government in conjunction with the governments of the several provinces;" from which he logically deduced that "it would seem clear from this resolution that...the party in power is committed to take action along these lines."³⁴

King's reply, which was indicative of the line that he was to follow right into the maelstrom of the depression, conceded that although "there is a national significance to the problem of unemployment ... the problem is primarily one which concerns municipalities, and secondarily, the provinces affected." Furthermore, he insisted that "it only becomes a federal problem when both the municipalities and the provinces have found it impossible to cope with a situation that is completely beyond their control;" however, "in so far as the national interest may also be concerned, we are prepared to

co-operate with the municipalities in seeking a solution."³⁵ Later on in the debate he announced that if the resolution meant that "the federal government must assume an obligation ... apart altogether from the obligation on the part of the municipalities and the provinces," he would oppose the motion; while if it meant "that it is the duty of the federal government to co-operate with the municipalities and provinces in a solution of the question" he would support it.³⁶

Characteristically Meighen was far more forthright: "I believe that if we depart from the principle of primary municipal responsibility, we land ourselves in a Serbonian bog from which we will not emerge, and this House should not countenance departing from that principle for any reason whatsoever." Having thus disposed of the matter from the vantage point of 1867, he turned his attention to the scurrying Mr. King. "You will be delighted, Mr. Speaker, and we all are, to hear at last a reference to the Liberal platform from the lips of the Prime Minister," he lauded caustically, especially pleased because, "this is the first time that platform has been brought into the realm of this House since he reached his present exalted post." He regretted, however, that after a careful scrutiny of the obscurantist ambiguities that had been employed to hedge around that platform, he could only conclude that the plan of the Government was "only to give heed to the programme of the Liberal convention when the resolution in question is surrounded at all four points of the compass with a wide-open "if" and when there is nothing but swinging doors

in between."³⁷

Irvine rose to state that there was no desire on their part to blame the situation on the Government but rather to emphasize that it was a question of national importance and as such "cannot be passed by as merely something for the municipalities or for the provinces." The crux of the matter was not whether unemployment relief should be taken out of the hands of the municipalities but rather "whether it is actually in their hands now." The unemployment situation was not something new that was going to disappear with the advent of summer, but rather "it is a problem that has arisen out of the economic system that prevails" and as such would need more than legislative action in order to eliminate. Yet he did believe that there were certain practical steps that could be taken by the House. It could, for example, initiate the national unemployment scheme that had been called for by the Trades and Labour Congress, and as immediate palliatives he suggested that the public works departments of all levels of government inaugurate winter works programs and that the Dominion Government further the construction of the national highways and the Trans Canada Highway. In conclusion he called for a national conference on all three levels of government for the purpose of dealing with all aspects of the problem.³⁸

It is interesting to note that once the motion had been garnished with a suitable degree of vagueness by the Prime Minister it was carried triumphantly and passed on to the Limbo of Parliamentary Good Intentions to rest quietly

alongside the Liberal Platform of 1921. However, it rose like a wraith again five years later when A. A. Heaps gave it more directive substance in the form of an amendment calling on the Standing Committee on Industrial and International Relations to "investigate and report on the establishment of a system of insurance against unemployment, sickness, and invalidity."³⁹ Again there was a spirited debate and again the Liberal leaders demonstrated their strong support for such a desirable social advance.

The chairman of the committee was most sympathetic. "I will be only too willing to co-operate with any hon. members who are interested in further social legislation of this kind," he explained, "but while I hope we will not have to deal with too much of this legislation ... I am sure hon. members on both sides of the House will be only too glad to give such a resolution as this their hearty approval."⁴⁰ The Minister of Labour was equally affable, promising that the subject of the resolution would be submitted to the inter-provincial conference which was to meet that summer; and even the Conservatives, now led by R. B. Bennett, came out strongly for the amendment. Whereas "nothing could be worse for this Dominion than to create a dole system," he was convinced that a contributory insurance scheme would "induce a man no longer to be looking to the state for everything, but rather encourage him to depend upon his own industry and his own thrift."⁴¹

Yet somehow, in spite of such high-ranking support, the Liberal back-benchers could not be kept in line. A Mr.

Edward Young from Weyburn informed the House that the workers "do not need insurance against unemployment ... they should have enough money to keep them going until they do get other work ... it is simply a matter of adaptability ... it is merely a case of moving from one place to another to find something to work at."⁴² Mr. Morin from Bagot demonstrated his support for the Liberal Platform by opposing the amendment "from the moral viewpoint" as it would diminish the responsibility of the family and because "whosoever becomes a victim of unemployment, in this country, does so because he has no desire to work."⁴³ A Mr. Guerin from St. Ann made a rousing speech against the spirit of anarchy, internationalism, and the red flag, boasting how he, as chief magistrate of Montreal, had eliminated all the beggars from the streets by the simple expedient of sending all such offenders to the gaol;⁴⁴ while by purest coincidence time ran out just as a Mr. Boulanger was explaining to an enraptured House how "we do not need the enactment of a government insurance scheme for our sick people, our unemployed, and for those who are destitute ... because ... in the county of Bellechasse and in the province of Quebec, we are good Christians and we practice the maxim of Christ: Help one another."⁴⁵

By the spring of 1930 it became quite apparent that neither the municipalities, the provinces, nor Christian charity were enough to deal with the growing crisis; the seriousness of which was reflected in the nine-day debate that resulted from Heap's motion demanding that the Government

"take immediate action to deal with the question of unemployment."⁴⁶ After complaining that "every time a social question of importance is brought before this house the British North America Act is trotted out to show that we cannot do a certain thing," he went on to recall in detail the disillusioning chronicle of Justice Mather's federal commission of 1919 which "after taking most voluminous evidence in all parts of the Dominion," recommended "state insurance against unemployment, sickness, invalidity, and old age." The Liberal Platform of 1921; the favourable reply of Prime Minister King to the the Labour Party letter of January 7, 1926, asking as to his intentions for the provision for unemployment and old age pensions; the labour policy adopted by the Conservative Party in 1927; the 1928 House committee which "claimed that parliament was competent to make grants to any system of unemployment insurance in exactly the same way as at the present we make grants to the system of old age pensions;" and the favourable report of the Committee on Industrial and International Relations; all these recommending the same thing and yet there still was no concrete action out of the Prime Minister nor his government.⁴⁷

King did not speak until well on into the debate, and then not so much in reply to Heaps as in reaction to the attacks of the increasingly confident Conservatives. His two and a half hour defence revealed a party bankrupt of ideas and led by a sleepwalker mumbling the old incantations of provincial responsibility and transitory unemployment. It is

hard to believe, but here was the bellwether of one of the world's most advanced industrial nations six months after the Wall Street disaster and facing a rising tide of unemployment which the most comprehensive studies estimated would reach a high water mark of 200,000 in the next winter, angrily denouncing those who dared claim that there existed

... an emergency condition of unemployment which demands that the government should take from the federal treasury a portion of the taxes of the people of Canada as a whole, taxes which have been contributed by all the provinces ... and should hand these moneys over to one or two or more of the other provinces to help an alleged serious unemployment situation there. I submit that there is no evidence in Canada today of an emergency situation which demands anything of that kind. [*Italics mine*] 48

He further buttressed this conclusion by referring to the annual forecasts of the provincial premiers, who were obviously trying to restore public confidence by the most dazzling and optimistic predictions of impending prosperity. Unfortunately these auguries appear to have been based upon the study of the entrails rather than the intellects of their economic advisors, the most impressive being Premier Anderson's clairvoyance that "there is every indication that the future holds in store tremendous possibilities for the people of Saskatchewan."⁴⁹

Today such purblindness in a politician as acute as King seems almost impossible, yet the careful reader is driven to the same conclusion as Professor Blair Neatby: namely that the Prime Minister really did believe "that unemployment was only local and temporary" and that his notorious outburst later in the debate that "I would not give them a five

cent piece," sprang from this conviction and his resentment that "his carefully balanced federal budget should be raided" for supposedly partisan reasons.⁵⁰

Irvine's approach was in direct contrast to that taken by the beleaguered Prime Minister. He saw unemployment as "the most outstanding indication of the disintegration which is taking place in modern civilization," and the failure to cope with it as symptomatic of "the bankruptcy of statesmanship throughout the civilized world." Not only had the traditional parties failed to discover a solution, but even the Labour Party of Britain "seems to have gone to seed on the catchword of public ownership." Although he wished to go on record as being in favour of unemployment insurance, yet it was merely "a temporary something to be carried on until we have found a solution for the problem." The existence of unemployment was "a fact as well established in the minds of the people of this country today as is the physical fact of the shape of the planet," and he reminded the House of the remark of H. G. Wells that "civilization was a great race between intelligence and disaster," with the caustic aside that "judging from the remarks of the Minister of Labour, I would be inclined to bet on disaster."

He then went on to argue that although increased mechanization and the profit system were most often blamed for unemployment, the basic failure lay in the distribution of purchasing power through the wage system; the crux of the matter being:

In the price of an article there is included items which we might designate as A, B, C and D, that is, wages, profits, overhead, replacement of plant, price of raw materials, and so forth. Those items of cost must be included in the selling price of an article; therefore, although we may say that the price represents A, B, C and D, the only thing we have with which to buy it is A, and A cannot possibly purchase A plus B, plus C, plus D.

This elucidation of "the algebra of the problem" demonstrated why unemployment was merely "the secondary source of poverty" and why increased production could not solve the problem.

The Prime Minister was most likely correct in his boast that in the previous year Canada had produced more goods than ever before, but the net result was that "we have more unemployment now than we had at any other time." In reality credit was one of the most important factors that lay behind the facade and he suggested that "perhaps we would go a long way towards solving the unemployment problem if we studied the question: Who issued the purchasing power which is available to the people of Canada ...?" As for using the constitution as a talisman to ward off its share of responsibility for the crisis, he reminded the Government that its fiscal, railway, and immigration policies could not be administered without regard to the economic consequences and that "refusal by word of mouth to accept responsibility will not be sufficient to enable my hon. friends to escape from it, because responsibility has a way of sticking closer than a brother."⁵¹

Eventually the matter was brought to a vote but the combined opposition of 80 was not sufficient to overcome the 100 Liberals. Later, however, the Government itself lost in

the debacle of July 28 when the public, by means of a general election, decided where the responsibility really lay. In that vote the Liberals plunged from 119 to 89 seats, while Bennett, who actively promoted the idea that the federal government should accept the responsibility for unemployment, formed the next government on the strength of his party's increase from 90 to 136. At the same time the splinter groups made up of Farmers, Progressives, Liberal-Progressives, Labour, and Independents retained only 20 of their former 36 ridings.⁵²

In September, faced with a growing list of registered unemployed that had already passed the 117,000 mark, the new Prime Minister reacted vigorously and moved "to provide that a sum not exceeding twenty million dollars be appropriated and paid out of the consolidated revenue fund for the relief of unemployment in constructing, extending, or improving public works and undertakings, railways, highways, etc..."⁵³ He reminded the House that during the depression of 1920, \$1,850,000 had been so utilized and that later the King administration had "made some contribution to provinces and municipalities on the basis of one-third the amount of money they expended for certain relief works." He re-affirmed the principle that relief was primarily a municipal concern but insisted that "a problem, local and provincial in its nature, may become a national problem, and ... call for a solution by the co-operation of national with provincial and local authorities, and for that reason ... this measure is being introduced in this parliament."⁵⁴

Irvine's reaction was on the whole most favourable; here at last the federal government was taking the initiative and he was warm in his praise. However, as an exponent of "the new economics" he saw the problem as being greater than just one of providing relief for the unemployed and he pointed out that even though the Prime Minister had not claimed to be offering a cure for unemployment but "something distinctly palliative in nature," yet, even as such it should be designed to provide real relief. The weakness of the proposed legislation was simply this:

... the people who are to be taxed to make up this \$20,000,000 will buy less shoes and perhaps less food than they would have bought had the tax not been imposed upon them. The \$20,000,000 so taxed will be expended in other ways but it will not in the slightest degree increase the total business done in Canada during the year, nor will it add one cent to the purchasing power of the people of Canada as a whole, and therefore cannot in a national sense be of any possible assistance, even as a palliative to unemployment."

Rather than this move to take from those who already had too little in order to give to those who had nothing, he suggested that the Prime Minister follow the example of Sir Robert Borden, who, when faced with certain expenditures in connection with the Canadian Northern and Grand Trunk Pacific in 1914-15, passed a statute that provided "an expenditure of \$26,000,000, which was issued in Dominion notes when there was no security behind them except the security of Canada." Such a move "would in the immediate present create an increase in purchasing power ... and subsequently it could be taxed back through the consolidated revenue fund ... extending the

cancellation over a number of years."⁵⁵

Adaptable as Bennett may have been in his approach to the constitutional problems of unemployment, there was no way that he was going to forsake the tenets of financial orthodoxy. He foresaw stark disaster unless paper money were backed by "an adequate reserve of the only commodity that passes in the settlement of international exchanges," and sarcastically concluded by promising to give "due consideration ... to my hon. friend's suggestion that by the use of the printing press many of the ills of the country might be overcome."⁵⁶ It was this lack of economic understanding and financial imagination that was to prove far more disastrous to Canada in the next few years than the mere fact of an increasing rate of unemployment.

As the country lurched and slid into the mindless chaos of the early Thirties, Irvine was one of the few who did not despair of a solution but rather of the inability of the House to understand what had really gone wrong with the economy and how the situation could be remedied. At times he made concrete proposals for straight relief; such as in the spring of 1931 when the Special Emergency Fund had nearly been depleted and some 300,000 unemployed were walking the streets. Then he suggested that the federal government purchase the food surpluses and "establish in every city a distributing food centre for those out of employment" as this "would settle the grub-stake of those people and with the same money would provide a certain amount of relief to the farmer." He further

suggested that a countercyclic fiscal policy be implemented, calling on the government to undertake public works that would create employment and which would be financed by treasury notes. "Times will become better," he reassured the House, "we will have another of those funny things they call cycles no matter which government is in power, and then these notes can be taxed back and no increase will be incurred in the national debt."⁵⁷

In mid-summer he defended the Government against King's charge that it was acting in a dictatorial fashion by calling for the authority to expend out of the consolidated revenue fund such sums for unemployment and farm relief "as may from time to time be necessary" instead of naming a specific sum. "I am at a loss to see how parliament can usurp the power of parliament," he declared, "for ... this bill will be passed by the majority of this house which is the voice of parliament, and parliament cannot usurp its own powers." At the same time he proposed that the three levels of government should co-ordinate their fiscal policies so that they would "engage in capital expenditures to the greatest in times of depression and to husband [their] resources in times of prosperity" in order to have a regulating effect upon the boom-bust cycle. Still a reformer to the core, he could not agree with those who advocated violence, since, "if the system as it is were swept away by those who would seek to destroy it, I would be defeated in trying to modify the system through intelligence just as those who believe in the system would be

defeated."⁵⁸

The following February the situation had deteriorated to the point where even King recognized that the country faced "a national emergency" and he and the Prime Minister could quibble over the question as to whether there were actually half a million unemployed or not.⁵⁹ The Liberal solution had been to have Peter Heenan, the former Minister of Labour, offer an amendment that consisted of a long re-hash of Bennett's campaign promises to end unemployment followed by a smug demand that "immediate measures effectively to relieve the serious unemployment situation should be presented to parliament by the government without further delay."⁶⁰ Instead of offering some viable alternative solution, King attacked the Government with gusto, lacerating the Prime Minister for taking no action except to revive the Special Emergency Fund legislation of the previous session, ending in this Biblical vein:

The women and children who are suffering in this country today have asked the Prime Minister for bread, they have asked him for work, but he has given them not even a stone or a serpent; he has given them an extinct enactment; he has given them a dead statute. 61

Irvine, who spoke immediately after King, was outraged by the Liberals' negative tactics. After stating that because of the parliamentary rules he was not permitted to doubt the sincerity of Mr. Heenan, he went on as follows:

When we look at the amendment in the light of the statement of the leader of the opposition, that unemployment has become a national emergency and then at the resolution which is proposed to meet that national emergency I really

do not know what to say about the matter. It is beyond comment.

The real problem was whether "we continue to nurse the aged and dying system while youth and hope die for lack of attention," or whether it would finally be realized "that the first step towards a cure is a definite decision by the government and parliament that a new system must be introduced." Therefore he advised the House that "this is one of those peculiar motions in respect to which we shall take shelter by not voting at all, neither for or against, but rather await the proposal of the government, or a better proposal from the opposition bearing on the problem."⁶²

Irvine's growing attitude of "a pox on both your houses" was not only applied to the Liberals and the Conservatives but also splashed over on to his old friends in Labour. Two weeks earlier, in a fit of doctrinaire impatience, he had openly turned on Heaps, who was demanding that the Government introduce legislation to ensure that "the hours of labour be materially reduced and the purchasing power of the masses be increased" in order to absorb the unemployed and at the same time increase the standard of living.⁶³

To ask for wage increases or hour reduction under a profit system is to work around in a circle. That has been the weakness of the policy of labour ever since I knew anything about it. Even strikes never got labour anywhere because it was not possible to have a real increase in wages under a profit system since wage increases were invariably offset by an increase in the price of commodities.

Perhaps the fact that he himself was speaking about capitalism in the past tense explains in part why he was so impatient

with Heaps and why he openly insinuated that the Labour member was being less than frank in his more oblique approach.

I would like to know what it means. Is it that the government should introduce by legislation a new economic system into Canada? That means, if it means anything, that the government must first nationalize the industrial system in this country. If the resolution means that, I will vote for it because I have always stood for that; I like it. If it does not mean that it does not mean anything at all, and I would not be bothered voting for it ... If it stands for the old impossible system of increasing wages and shortening hours and increasing prices, the thing is ridiculous. Now will somebody explain. 64

A further example of this attitude can be seen when, early in 1935, he summed up the debate on the Liberal non-confidence motion, condemning the Government for not "presenting any definite or effective policy to deal with widespread actual unemployment or distress which continues to be Canada's most urgent national problem,"⁶⁵ as follows:

... the Liberal party has demonstrated beyond doubt that the Conservative party has failed to solve the problem of unemployment, and I think the Conservative party has demonstrated with equal thoroughness that the Liberal party did not know how to solve it when it had the chance, and does not know how to solve it now. I think I agree with both sides: I think we can make it unanimous. 66

By this time he was convinced that capitalism was beyond redemption and when Bennett, after his famous radio address to the nation, moved that it was "expedient to introduce a bill" providing for an unemployment and social insurance commission, a national employment service, unemployment insurance, aid to the unemployed, and "other forms of social insurance and security" to be provided for by such "contributions as may be necessary to carry into effect the proposed legislation"⁶⁷ he remained unimpressed. Although congratulations

were due to the Government for "having turned its face in a new direction" not only in respect to the above bill but also because of "the entire legislative program as outlined by the Prime Minister in his radio address this is perhaps one of the worst periods in the history of Canada for the introduction of such a measure as this, yet it must be introduced." He felt that the opposition should be reminded, in its criticism of the measure, "that in the years of great prosperity, when the Liberal party had power and when a measure of this sort could very well have been introduced, when its value would have been immeasurable, they did not do anything at all." As for himself he did not believe that any government could "successfully and adequately repair capitalism" and although he welcomed "these repair methods in so far as they may be able to alleviate human suffering" he did not want to be even associated with the idea of repairing the capitalist order since he was convinced that "we should begin to build upon entirely new foundations, and however slowly we may go, every step we take should be toward that objective."⁶⁸

To Irvine the solution had become increasingly clear over the years. In the first place there was no unemployment problem as such, but rather "unemployment, which should be leisure, is the boon which has come to this age as a heritage from the past." In reality "what we have is a problem of vast social stupidity," the result of not being able "to make the fullest use of all the means of wealth production at our disposal or to distribute the products to the people."

The only logical solution was to cut the Gordian knot of distribution, the real task of Parliament being to ensure that "every agency of modern civilization should be brought within reach of the population;" and the only means of doing this was

... to employ the social credit of the nation and to utilize it, in its financial expression, to enable the people to buy back the goods they have already created and which are lying on the shelves of the warehouses or being destroyed because people are unable at present to use them. Put the money to that use and we shall soon find it necessary to produce more goods. Let us make that beginning by the proper use of the national credit and by giving social dividends to our people. 69

4 Immigration

As a representative of labour, Irvine had some very definite views on immigration and its effects upon the economy. He first spoke on the matter in March, 1923, when the House was in Committee of Supply and dealing with the estimates of the Department of Immigration. He rose primarily to refute the charge that labour was in blanket opposition to immigration, pointing out rather that it was opposed to "certain policies ... that do not make for permanency, ... which do not take proper care of immigrants after arrival, ... which have been inaugurated with an absolute disregard of conditions prevailing at the time." He further argued that "if the Canadian Manufacturer's Association can claim protection from this parliament for their machinery and their investments, it is surely fair and reasonable that labour should ask parliament not to advocate or advance a policy that would imperil the rights of

labour to get work and life." He concluded his defence of the working man as follows:

If every immigrant who comes to this country is a benefit to Canada and a potential producer of wealth, it surely goes without saying that each unemployed worker in the country at the present time is of equal value, and if we cannot utilize his value now, it is doubtful whether we would utilize the value of those other prospective immigrants after spending two or three hundred thousand dollars in bringing them here. 70

Over a year later the matter came up again under similar circumstances, only this time the Labour and Progressive members were far better prepared. Woodsworth opened the attack with the following revealing statistics:

In 1871 we had a population of 3,689, 257, and if we had kept that population and just added the immigration to it, we would have all the numbers we have today, making no allowance for natural increase ... We have spent on immigration into this country - that is officially spent as a government - \$30,207, 894 and we have not a single soul to show for it. 71

He then quoted figures to the effect that in the previous year 137,320 people had been brought into the country while 182,369 had been lost to the United States, the net effect being that Canada had lost a quota equal to her total immigration plus 45,000 of her own citizens at the net cost to the department of three and a half million dollars. When he further pointed out that over 100,000 veterans had moved to the United States, he, not they, was attacked for showing a lack of patriotism, the most fatuous remark being that of a Mr. Hanson, an Ontario Conservative, who snarled, "We have had the annual wail from the hon. member for Centre Winnipeg, and now that he has relieved himself to that extent, we might

get back to business."⁷²

E. J. Garland, of Bow River, read a U.F.A. resolution expressing opposition "to any Canadian moneys being spent for the bringing into Canada of more farmers (under present conditions)." As to the conduct of the Government, he complained that "in the third year of their regime we find them still unaware that there is a problem, and not only that but loudly claiming that there is no problem," and he quoted as a typical example of this Liberal logic the case of T. G. McBride, of Cariboo, who "in face of all the statistics compiled by our own Bureau of Statistics ... affirms that there is no unemployment in Canada because, forsooth, he could not get a man to drive his team." And he finished his argument by stating that the Government was giving its ear "not to the farmers, not to the labour people of Canada, but to the bondholders, the transportation companies, and the employers of labour generally."⁷³

When Irvine got the floor he cut right to the heart of the matter as to why more people were leaving Canada than were coming in. He cited a survey of some of the leading industries revealing that in Canada, "wages amounted to 20 per cent of the total production [while] in the United States for the same years the percentage of wages and salaries paid was 45 per cent of the total production" and therefore "we have an emigration that exceeds our immigration, notwithstanding the fact that the government is spending enormous amounts of public money in order to keep our population at par, so to

speak." He then quoted figures from the Department of Labour to the effect that in seven industries the average yearly wage for all employees was \$722 while its own publication, the Labour Gazette estimated that a family of five would require an income of \$1,783.60 to maintain an adequate standard of living. "If the government will explain how \$722 can purchase goods to the amount of \$1,784," he concluded, "they will know why immigrants move out of Canada into the United States."⁷⁴ The answer to the question being too difficult, the Government merely ignored it completely and passed the estimates with a satisfying majority and continued on its course as before.

The immediate importance of immigration in the deliberations of the House for any one year can roughly be estimated by a glance at the indexes of the debates. In the 1920's the topic normally took from four to five columns while in the 1930's it dropped to one column or less. Irvine's concern followed much the same pattern and the arguments presented on both sides also remained rather constant. D.C. Corbett, in his critique, Canada's Immigration Policy, identifies two major theories that have dominated our attitudes towards immigration. The earlier pessimistic school holds that each country has, at any given time, an optimum population, a point at which her per capita income is at the maximum. An underdeveloped country is one in which the ratio of labour to resources and capital are such that an increase in labour would increase the per capita productivity and income while any

population increase over this optimum would result in a per capita decline even though the gross national product and gross income might rise. The optimists postulate that population growth tends to increase the level of employment, encourages the use and discovery of resources, and stimulates the economy in much the same way that Keynes held that investments affect the business cycle. Instead of adding to the severity of a recession, an increase in population has a moderating effect: whereas a decline in the rate of population growth accentuates unemployment and has a corresponding detrimental effect upon uses of resources and capital.⁷⁵

It is interesting to note that on the question of immigration Irvine obviously was a pessimist. In contrast to other areas, here he was not ahead of his time but was rather firmly rooted in the traditional attitudes of his generation. It would not be fair to accuse him of merely wanting to cut down on immigration in complete disregard for Canada's peculiar hemophilic drain into the United States, yet, by 1929, he began to feel that even if none of the other conditions were changed, no immigration was better than any; and even from the point of view of agriculture and labour alone, this proposition was of doubtful merit.

However there are two mitigating circumstances that must be considered before judging him as a complete reactionary in this area. In the first place, in the ideal society that he visualized immigration would not be a problem as there would

not be an over-supply of labour nor any of the attendant ills that accompany this problem under capitalism. Furthermore, it would be unrealistic to expect any one person to be a generation or two ahead of his time in every field; and although Irvine was a political pioneer in the field of economics, it was not until fifteen years later or so that the theories of the optimistic school began to make their appearance even in the academic theorizing about immigration.

5. Agriculture

The short post-war boom lasted only until 1920 and was then replaced by a sharp decline in prices caused by the liquidation of the world-wide inflation of credit. This violent collapse was one of the most severe that has ever been experienced and had an especially grave effect on western agriculture. The extent of the deflation can be seen by a brief look at the indices of prices and exports, taking 1920 to be 100. Export prices dropped to 63, farm products to 51, wheat prices to 43, manufactured goods to 66, and the cost of living to 81. At the same time the value of exports dropped to 80 while the volume of exports rose to 136, showing that this was not so much a loss of markets as an inflationary collapse that had taken place. On the whole selling prices fell more sharply than costs (cost of living, freight rates, interest rates, etc.) and agricultural prices, especially wheat, were the most affected. This deflation was especially hard on the western farmers who had incurred large debts during the boom years in order to expand their production and, to further

aggravate matters, the massive resettlement of the returned soldiers on the land had taken place when prices were at their peak. Therefore, when farm prices fell by 49 per cent and wheat by 57 per cent there was no way that the overhead costs and commitments could be met.

In 1923, after the severe deflationary shake-out, the prices of the major Canadian exports began to climb again in relation to costs. Several factors lay behind this recovery: food shortages in Europe, new techniques in primary production, and the lower cost of shipping (between 1920 and 1924 the total cost of shipping wheat from Regina to Liverpool fell from 67 to 33 cents per bushel). Canadian wheat production underwent a dramatic expansion: in the period from 1922-25 she had an annual production of 383 million bushels and supplied 38 per cent of the world's export market as compared to a 112 million bushel production and a 12 per cent share from 1909-13.⁷⁶

By the time that Irvine re-appeared on the parliamentary scene as a representative of agriculture in 1926 the favourable conditions in the wheat market were beginning to fade. In 1925 Europe had exceeded her pre-war production and Germany, having regained control of her tariff, re-introduced her traditional policy of agricultural protection. In the same year "the battle of the grain" broke out when Italy imposed sliding-scale duties on wheat, followed by Austria and Czechoslovakia; and by 1929 the increasing protectionism in Europe on foodstuffs had further undermined the market.

For the time being, however, the large American loans, the failure of the Russians to actively re-enter the market, and the higher level of business activity effectively masked the basic weakness of the situation until it became increasingly evident that agricultural production was seriously over-extended at the end of the decade. By this time, however, wheat made up about one-third of Canada's total export and even before the crash of 1929, the sagging grain prices of 1928 were a portent of the disaster to come.⁷⁷

In 1925, the Liberal government, alarmed at what the sharp deflation had done to the veterans who had taken advantage of the Soldier Settlement Act of 1919, introduced an amendment to the effect that any soldier who had not repaid his debt to the Board, abandoned his land, or whose agreement had not been terminated, should be credited with a reduction of 40 per cent of his debt for all livestock purchased prior to October 1, 1921, and a reduction of 20 per cent on livestock purchased between that date and October 1, 1922.⁷⁸

J. A. Robb, the Minister of Immigration and Colonization, explained that this action was the result of a report of a special parliamentary committee and that although no revaluation of land had been recommended, the veterans had received generous treatment over the years, as along with the interest exemptions allowed by the 1922 amendment and other concessions, a total of nearly \$12,000,000 in abatements had been granted them, not counting the fact that they had been granted loans at 5 per cent while civilians had paid from 6½ to 8 per cent over

the same period of time.⁷⁹

Irvine, still sitting as a labour member, spoke towards the end of the long debate. The idea behind the resettlement scheme was a good one, he felt, but the initial mistake had been made when the land had not been conscripted from the large land companies, an error for which no one was to blame

... because the people of Canada generally are not yet prepared for such action, and even the soldiers themselves who are now abandoning their land, being unable to pay their taxes much less their interest and capital payments, would no doubt be very much opposed even now to the conscription of land.

Since Parliament, however, had to deal with the problem as it existed, the fact remained that it was "impossible...at the present time to raise sufficient crops to meet the instalments of principal and interest on the inflated value which prevailed at the time of purchase" and as a result of this situation only one third of the soldier settlers were making regular payments, another third would be able to pay if conditions improved, while the remainder were destined ultimately to lose their land. In view of these facts he moved an amendment that "the government should increase the stock evaluation to sixty and forty per cent respectively, and that a measure of land revaluation is also essential;"⁸⁰ a move that was, of course, futile since a private member cannot move an amendment to a government resolution involving the expenditure of money, but which did serve notice of the type of solution that Irvine felt to be an absolute necessity.

A year later the Government did come around to Irvine's view and introduced a bill permitting soldier settlers to make application for the revaluation of their land but it was emasculated in the Senate. Finally, in 1927, Robert Forke, now Minister of Immigration and Colonization, re-introduced the bill which stated that the amount of depreciation "to be determined shall be the diminution in the present value of the land and the improvements sold to the settler, as compared with the price at which the settler agreed to purchase the said land and improvements from the board."⁸¹ Irvine, now back in the House again after his brief recess, suggested that there might be some merit in the settlers' request for a flat percentage reduction rather than holding individual assessments if the process of arriving at revaluation was to be "so cumbersome and so difficult to obtain ... as to nullify the beneficial effects of the legislation" and he concluded by hoping that the minister would take this view into consideration when drafting the bill.⁸²

It was the late spring of 1929 before Irvine spoke specifically on agriculture again in the House. The occasion was triggered by M. C. Senn, an Ontario Conservative, who was very upset about the effects of the Australian-New Zealand Treaty of 1925. It seems that just before the treaty went into effect Canada had had an exportable surplus of butter of some 23,303,000 pounds while in 1928 she had been obliged to import 25,000,000 pounds to meet her requirements. In the same year the number of dairy cows had been reduced by

102,000 while an additional \$9,460,000 worth of other farm products had been imported from New Zealand, an increase of \$6,736,000 since 1926. All this had been the direct result of the greatly reduced agricultural tariffs; for example the Canadian butter tariff was 1 cent per pound while Australia enforced 12 cents, New Zealand 7 cents, South Africa 10 cents, and the United States 12 cents. The overall results of the treaty had not been bad for Canada, however, since the balance of trade in her favour had amounted to over \$130,000,000; making the treaty very popular among the non-agricultural segments of the economy.⁸³

Irvine entered the debate to state that there was little doubt that "the benefits to Canada of the Australian treaty were purchased and paid for by the dairy industry," and he warned the House that although the farmers had generally supported free trade they were getting fed-up with the treatment handed them. "You must do one thing or the other," he insisted, "you must either protect the farmer equally with all other classes or you must not protect anyone." The basic problems of agriculture, he felt, were over-capitalization in relation to possible returns, higher interest rates, in addition to discriminatory taxation, and he suggested that the time had come

... to institute a thorough inquiry into the entire agricultural industry, an inquiry which will be quite untainted with partisanship and which will be conducted with a view to obtaining the facts as to the actual economic condition of the farmer and the general outlook of the industry and discovering what can be done to improve those conditions. 84

At the special session called by Prime Minister Bennett in the fall of 1930 Irvine, disturbed by the falling farm prices and the prospects of an increase in mortgage foreclosures, asked if the Government would consider declaring a moratorium "until such times as agricultural conditions may improve." Bennett replied that such a move was a matter for the provincial legislatures and the idea was not pursued any further.⁸⁵

The first major attack on the new government's agricultural policy, or lack of it, came in the spring of 1931 when J. L. Brown, a former president of the United Farmers of Manitoba, and now a veteran Progressive from Lisgar, moved an amendment calling for "emergency measures to meet the present agricultural crisis and adequate provision for the processing of meats and the marketing of livestock, wheat, dairy and of all other agricultural products." He was annoyed that Bennett had tried to show that agriculture was not in a precarious state and he claimed that the Prime Minister had insinuated that "whatever may be wrong is entirely the fault of the farmer himself for having indulged too freely in speculation." The real fault lay with the newly-formed Government, whose errors were outlined in the preamble to the amendment, where it was cited for following restrictive trade policies to the detriment of agriculture, besides failing to implement its promises or to produce a definite policy. As added support the amendment was seconded by Robert McKenzie, a Liberal from Saskatchewan.⁸⁶

The debate went on intermittently for eight days, Irvine, in his favorite position, speaking last of all. He was not very enthusiastic about having to vote, frankly stating that if he could do so without creating an uproar, he would abstain. As far as he was concerned, one of the objections in his riding to the Conservative party was that it had "made no promises to agriculture but had made a great many to the other classes," and as for policy, he was quite prepared to give "the government at least one year in which to deal with agriculture and other matters." Obviously some financial relief could be provided for the farmers who were suffering from the accumulation of a generation of fiscal mismanagement, but he had not heard a single proposal in the whole debate that would raise the price of any agricultural product on the world market and he offered to support the amendment if its mover "would put forward one concrete proposal that would give even the promise of one penny more on the bushel." Therefore, until that time, and in spite of his progressive and radical friends who had spoken in favour, he felt obliged to oppose the amendment because

"in the first session of a government that has not been in power one year, to move a vote of no confidence in them for not getting a better market and to do this without making a suggestion of how such an objective could be obtained, does not appeal to my reason." 87

By the spring of 1932 it became obvious that the Conservative government needed more than time to solve the problems of the deepening depression. By then the price of Canada's 17 major exports had fallen to 54% of its 1929 level,

farm products to 37%, wholesale prices to 68% and industrial production to 59%. In 1930 the Hawely-Smoot tariffs destroyed the lively cattle and potato market and the border trade in cream and milk while in Europe "the grain war" had escalated to the point where Germany was a fortress with a tariff of \$1.62 on a bushel of wheat while Italy and France were entrenched behind tariffs of \$1.07 and \$0.85 respectively. At the same time Canada's major competitors began to depreciate their currencies so drastically that by the end of 1932 the Australian pound stood at 46 per cent and the Argentinian peso at 40 per cent of their former gold parities. To make matters worse, Russia re-appeared on the world market with large supplies of wheat, the Danubian countries began to subsidize their exports, and the United States Federal Farm Board began to unload its stabilization holdings. The nadir of western agricultural fortunes was reached when wheat plummeted to 38 cents a bushel on the Winnipeg exchange.⁸⁸

The Bennett government reacted in the most traditional manner to the crisis, deciding that protection was the only way to increase employment, achieve a favourable balance of trade, and to maintain the value of the dollar at home and abroad. This policy was announced in the budget speech of 1931 and the granting of tariffs to all major secondary industries changed Canada from a moderate to a high tariff country. Unfortunately for the West, this policy had a direct discriminatory effect on its position in relation to the rest of the country for it permitted the maintenance of the prices of manufactured

goods while export goods could receive no meaningful protection at all. For example, in 1932, the cost to the farmer of protected manufactured goods in relation to the export price of wheat stood at 209 per cent as compared to 100 per cent in 1929 and livestock stood at 176 per cent. In contrast lumber stood at 130 per cent and non-ferrous metals at 145. As a result the farmers' share of the shrinking national income was drastically reduced far below what it otherwise would have been and their overhead increased, their property depreciated, and their debts magnified.⁸⁹ As far as depreciating the Canadian dollar was concerned, the Rowell-Sirois Report arrived at the following conclusion:

Prior to September, 1931, a policy of currency devaluation was impractical in view of the nature of public opinion and the attitude of the financial community. With the British abandonment of gold, however, the dollar could have been depreciated, directly with sterling or independently, without producing a serious shock to confidence. Had such a course been followed Canada would have been at least partially shielded against the deflationary influences arising out of the discount on the monetary unit of one of her principal markets. She would also have been spared increased exchange disadvantages in competition with the important group of countries whose currencies fell with the pound.

By the fall of 1932 Irvine's period of polite waiting for the emergence of a constructive program to deal with the financial and agricultural crisis came to an abrupt end. Not that he had been mute before, for in the previous session he had made and supported some of the more imaginative proposals that could have been used by the minister to frame a comprehensive agricultural policy. However, his disillusionment was complete when the Governor General stated in the Address that:

I rejoice that the wisdom of your steadfast policy of retrenchment and constructive development, which has ameliorated the hardships of Canadians and maintained the enviable financial position of this country, is still more fully manifest with approaching prosperity. 90

And when the only reference to the agricultural agony was his gratification that "in those large areas of the west, where, during recent successive years, crop failure was followed by widespread distress, this season's bountiful harvest forecasts greatly improved conditions and makes possible a corresponding reduction of relief measures;"⁹¹ Irvine must have realized that the time for suggestions and patience was over.

His reaction was bitter and cutting. He began by regretting that the amendment moved by the leader of the Opposition, Mr. King, "which regretted so many things did not regret that the government had run out of patches;" and the climax of his scathing attack on the policy of retrenchment rather than construction and Bennett's witless concern for the financial respectability of the Canadian dollar in orthodox banking circles came as follows:

Now, capitalism has been dying for two generations and every government that ever sat opposite has been quacking on it and applying quack remedies. Quack remedies applied have been tariffs, tariffs, and more tariffs, all nostrums offered by the government. We demand that they put an end to their nostrums and get down to policies that will work. Among these nostrums the Prime Minister referred specifically to sound money as one would refer to the sacred documents upon which the faith of a people is based, or to the golden calf which was once ground up and given to the Israelites in the water they drank. 92

The first opportunity that Irvine got to present a comprehensive agricultural program came six weeks later when

the House was dealing with the problems of farm financing and marketing. The amendment, loaded with definite proposals, did not survive its brief introduction nor did it cause any discussion at all for the simple reason that it was completely out of order. No private member had the competence to move, as Bennett later pointed out, that the Government, as emergency measures, should:

(a) take such action as will lead to the writing off of all accumulated interest charges outstanding and to effect a substantial reduction in interest charges for the future, and

(b) bring the Canadian dollar at least to that point where Canada will have a parity of exchange with her chief competitors in the British market; and

(c) immediately consider the advisability of again paying a bonus on wheat, either on a bushelage or acreage basis; and

(d) that this house is further of the opinion that the government should create a "marketing board" competent to supervise and control the marketing of farm products.⁹³

Irvine was well aware that his move was in violation of the rules and his remark to the Speaker that "I hope you will not look at the amendment until I get through speaking," shows that the purpose was to get the proposals on record to appear as an alternative to the government policy, rather than to spark a debate. Yet, in spite of it being stillborn, the amendment is significant for it shows how Irvine felt the crisis should have been dealt with even within the confines of the capitalist system. It is also the last time that he made such specific proposals about agriculture alone, for as his closing remarks reveal, he was beginning to become convinced that it would not be a sufficient solution even if the Government were to accept his emergency program, but rather that it

"should be looking forward to some fundamental and constructive proposals going to the very basis of the difficulty in our economic life."⁹⁴ This growing conviction that the agricultural problem was only a part of the greater crisis of capitalism was reflected in the fact that during the next three years he never bothered to deal with it in isolation again.

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CHAPTER VI

Conclusion

William Irvine's basic motivation undoubtedly sprang from his religious background and his driving sense of mission. He was typical of that group of religious people of the day who found the doctrines and ministrations of the church less and less satisfying and who turned to newer forms of social and economic organizations as vehicles through which they could optimistically minister to an ailing world. To mutilate a popular hymn, "What was good enough for father was not good enough for them." As one of that band who believed that laborare est orare and who felt that it was far more pleasing to God to save society rather than a soul, Irvine was in good company along with other such men as the Rev. J.S. Woodsworth, Rev. Salem G. Bland, and Rev. R.C. Henders, all active reformers of that day.

Irvine, writing about the new spirit of religion, not only showed what he believed to be the real aim of the church, but also revealed how deeply his political career was permeated by religious motivation, when he stated:

The task of the Church today is to save the soul of society, and there are indications that the Church will meet that task in the true spirit of her Founder... The new religious spirit is the very soul of the world movement for justice. It is the champion of the weak against the strong; it elevates the human values to a height of paramount importance in the whole system of human affairs; and it stands for conditions of life that are conducive to the highest morality in individual character and national life.

This kind of religion cannot be kept out of politics. Being inseparable from life it permeates every department,

and extends the domain of the sacred to what have been called material things. The line between the sacred and the secular is being scrubbed out. 1

Basically he believed, with Herbert Spencer, that nature is in a state of constant flux, driven by the principle of development which is "a movement from the simpler to the complex, and from the indefinite to the definite;" while at the same time he was an economic determinist to the degree that he believed that the nature of man's struggle for life shapes his society. Thus it followed that "systems which at one time possessed qualities of great value and which have served well in the past, through generations have become an actual hindrance to progress." The great failure of man has been not to recognize that although systems and institutions spring from fundamental human needs, it is the needs that "are the paramount thing to consider, and that no system at any time must take precedence to human interest."² Therefore, politically as well as religiously, he was a missionary of change.

Systems have been made by men for men, and this boasted system of ours was also made by men to meet human needs; and there is no good reason why we should not make it better if we can, or modify it so as to suit our own purpose and serve our own time better than it is capable of doing as presently constituted. 2

Irvine was convinced that 'unrest' in society was a sure sign that its institutions were no longer in harmony with the social and economic realities, and therefore that the constructive role of statesmanship was to adjust these institutions to the inevitable change going on in the sub-structure in order that the whole system might "work as smoothly

and with as much justice to all parties as possible." He believed in gradual and rational change and held that revolutions were the result of the suppression by rigid economic and political systems which, having ossified themselves, then exhibit the reactionary "tendency to mould men after their own cast-iron fashion;"⁴ the result being that "the revolutionary, a product of the industrial stupidities which we tolerate, hurls his challenge across the waste and chaos and inhumanity of the civilization which we endorse."⁵

Another basic theme that runs through Irvine's whole career was his great reliance on science and his optimistic faith in the perfectibility of man and society. Hegel, Marx, Darwin, Comte, Spencer, Douglas, and Keynes appear in his speeches and writings like canonical authorities, backing his basic assumptions and buttressing the unfolding arguments that lead with the logic of Euclid to their inevitable conclusions. Reading Irvine's well-prepared and erudite speeches is like observing the construction of a geometric theorem; little wonder that his listeners in the House so often preferred not to answer his arguments at all, but rather to overwhelm them with crushing majorities or to ignore them completely.

To Irvine the method of reform was obvious: the rational application of the scientific method to the social and economic problems of the day. In order to avoid the serious consequences to a whole nation of the failure of an experiment, he even worked out a system by which certain communities would be designated as sociological laboratories

to act as guinea pigs for the good of the greater society.⁶ Only by such methods could rational advance be expected and the stupidity of the reactionary and the violence of the revolutionary be avoided.

However, to make an appraisal of his parliamentary career we must look beyond his basic premises and try to assess his political effect. There are many levels on which he can be judged but we shall only look at two of them: the amount of legislation that he was actually able to place upon the books, and his impact upon the House. Since a great deal of evaluation has already been done it will not now be necessary to look at any specific item in detail but rather to draw some general conclusions.

He was by no means the most effective parliamentarian when it came to getting his proposals translated into law. In fact his percentage rating is even lower than his tally because he brought forward so many motions and amendments that were either talked out or voted down. Hansard is strewn with his and his friends' defeated attempts at reform, yet even here he did have some noteworthy successes. He initiated the investigation of the Banking and Commerce Committee of 1923 which was to have such a long term impact on Canadian banking, and he proposed the broadening of the investigation of the Home Bank failure to include recommendations for the amendment of the Bank Act, a move whose real value did not become apparent until the depression. The miners of Cape Breton had him to thank for bringing their troubles under the spotlight of a

full debate in the House and he was their constant champion over the years. He initiated the call for a reform of the House rules which eventually came into effect in 1927 and he persistently pushed for further reforms in this area. Neither should one forget the importance of his role in the establishment of the Old Age Pensions Act and the setting up of a divorce court for Ontario.

However, outside the dispute over the divorce court, his successful proposals were generally accepted because the House was psychologically ready for them. Often he merely had to initiate the debate and the logic of the situation would ensure his success. At other times he had to work a bit harder, exposing the problem clearly by cutting away the underbrush of misconceptions and illusions and forcing the reactionary forces to explain their positions under the full glare of a public debate.

It is not in his triumphs, however, that he made his greatest contribution but rather in his defeats. His many motions and amendments, with their novel approach and their startling solutions, often shocked the House and forced the outraged members to re-examine their own positions and long-held assumptions in debate. Just as we today find many of the bed-rock assumptions of the politicians of the 1920's and 1930's strange, limited, reactionary, and ludicrous, so Irvine had a similar effect upon his colleagues because he did not really fit into their generation. We only have to read Hansard to immediately become aware of the patina of a former

generation's thinking, only in the case of Irvine this patina is very thin or even non-existent. He was a man of our times, in some cases even ahead of us, not a true contemporary of King, Meighen, and Bennett. As a startling illustration of this, one only has to compare Irvine's and the then Minister of Labour's attitudes and their ideas as to what should be the proper role of that department. Irvine could be Minister of Labour today while James Murdock could never make it for the simple reason that no prime minister, wishing to retain public confidence, could afford to have him in the cabinet.

Irvine, by his very nature, was either at the cutting edge of progress or else out in the forest scouting the trees. Time and time again the demands that he made and the solutions that he offered were castigated and buried with scorn, only to be revived later and placed upon the statute books, some outstanding examples being his call for a Central Bank, credit control and counter-cyclic financing, the abandonment of the gold standard, and the financing of unemployment relief. If men like him and Woodsworth were not so vital to peaceful social and economic progress one would be tempted to conclude that they were interesting Don Quixotes, born before their time and tilting at the Establishment. Fortunately for the rest of us, however, a benevolent Providence sees fit to send us such gadflies to remind us that we have not reached the ultimate in human progress nor has the purpose of creation found its fulfillment in "Our Way of Life."

References for Chapter VI: Conclusion

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